

SAN FRANCISCO PUBLIC LIBRARY



3 1223 11169 6531



5 / S

San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library



Digitized by the Internet Archive
in 2016

https://archive.org/details/agendasminutes2014sanf_2



TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

May 14, 2014 – 1:30PM

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

DIRECTORS

Linda Fadeke Richardson, President
Larry Mazzola, Jr., VP
Mark Dunlop, CFO
Hon. Jane Kim (Ex-Officio)

John Elberling
Jean-Paul Samaha
V. Fei Tsen

Mirian Saez, Director of Island Operations
Loraine Lee, Commission Secretary

GOVERNMENT
DOCUMENTS DEPT

MAY 12 2014

SAN FRANCISCO
PUBLIC LIBRARY

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. General Public Comment
This item is to allow members of the public to address the Treasure Island Development Authority Board ("Authority Board") on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held during each item on the agenda.
(Discussion Item)
Estimated Length of Item: 15 minutes
3. Reports
 - a. Report by Director of Island Operations
This item is to allow the Director of Island Operations to report on staff activities, leasing, health and public safety, utilities, budget, Quality of Life issues, social services, on-Island events and to make general announcements. *(Discussion Item)*
Estimated Length of Item: 15 minutes

b. Report by Treasure Island Director

This item is to allow the Treasure Island Director to report on the status of environmental remediation and coordination with the Department of the Navy, interactions with other City and State agencies, progress with Treasure Island Community Development in implementation of the Disposition and Development Agreement and related plans, and other activities related to the transfer and development of the former Naval Station Treasure Island. *(Discussion Item)*

Estimated Length of Item: 20 minutes

4. Communications From and Received by TIDA *(Discussion Item)*

Estimated Length of Item: 5 minutes

5. Ongoing Business by Board of Directors *(Discussion Item)*

Estimated Length of Item: 5 minutes

6. CONSENT AGENDA *(Action Items)*

Estimated Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the Minutes of the April 9, 2014 Regular Meeting

b. Approving the Budget of the Treasure Island Development Authority Fiscal Years 2014-15, 2015-16 and Authorizing the Directors of Treasure Island to Enter into Work-Orders for Services with other City Departments, Professional Services Contracts and Agreements with Service Providers

7. Discussion and Possible Replacement of Board Secretary Due to the Resignation of Larry Del Carlo *(Discussion Item)*

Estimated Length of Item: 5 minutes

8. Informational Presentation on the Solicitation and Negotiation of a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing *(Discussion Item)*

Estimated Length of Item: 10 minutes

9. Informational Presentation of On-Going Environmental Investigation and Remediation Programs on Treasure Island *(Discussion Item)*

Estimated Length of Item: 30 minutes

10. Resolution approving the Economic Development Conveyance Memorandum of Agreement for the Transfer of Former Naval Station Treasure Island from the United States Government to the Treasure Island Development Authority and adopting findings under the California Environmental Quality Act *(Action Item)*

Estimated Length of Item: 30 minutes

11. Discussion of Future Agenda Items by Directors (*Discussion Item*)
Estimated Length of Item: 5 minutes

12. POSSIBLE CLOSED SESSION TO CONFER WITH REAL PROPERTY NEGOTIATORS

If approved by the Authority Board, this closed session will take place for approximately 30 minutes at the end of the meeting

- a. Public comment on all matters pertaining to closed session.
- b. Vote on whether to hold closed session to confer with legal counsel regarding all matters listed below as Conference with Legal Counsel. (Action item)

1.) CONFERENCE WITH REAL PROPERTY NEGOTIATORS-pursuant to Government Code Section 54956.8, and Administrative Code Section 67.8(a)(2) and 67.12(b)(1).

Persons negotiating for the Authority: Mirian Saez

Persons negotiating with the Authority: The John Stewart Company

Property: Market Rate Residential Housing on Former Naval Station Treasure Island

Under Negotiation:

Price: _____ Terms of payment: _____ Both: X

- c. Reconvene in open session (Action item)

1.) Possible report on action taken in closed session under Agenda Item 8 (Government Code Section 54957.1(a) (1) and San Francisco Administrative Code Section 67.12(a) and 67.12(b)(1)).

2.) Vote to elect whether to disclose any or all discussions held in closed session. (San Francisco Administrative Code Section 67.12(a)).

13. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 94130 during normal office hours.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon

request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org>





TIDA REVENUE AS OF 04/30/14

	As of 04/30/14	2014 Projected Revenue	Variance	Pct
TI JOINT VENTURE - WINE VALLEY	205,132	295,000	(89,868)	70%
TI SPECIAL EVENTS	243,845	218,850	24,995	111%
COMMERCIAL PAYMENTS	3,028,061	3,216,241	(188,180)	94%
FILM	23,000	30,000	(7,000)	77%
YBI CELLSITES/BANNER	217,382	297,720	(80,338)	73%
MARINA	78,375	90,000	(11,625)	87%
HOUSING CAM	353,754	479,472	(125,718)	74%
JOHN STEWART CO.	3,282,044	4,192,274	(910,230)	78%
	7,431,594	8,819,557	(1,387,963)	84%

TIDA REVENUE AS OF 04/30/14

	As of 04/30/14	2014 Projected Revenue	Variance	Pct
TI JOINT VENTURE - WINE VALLEY	205,132	295,000	(89,868)	70%
TI SPECIAL EVENTS	243,845	218,850	24,995	111%
COMMERCIAL PAYMENTS	3,028,061	3,216,241	(188,180)	94%
FILM	23,000	30,000	(7,000)	77%
YBI CELLSITES/BANNER	217,382	297,720	(80,338)	73%
MARINA	78,375	90,000	(11,625)	87%
HOUSING CAM	353,754	479,472	(125,718)	74%
JOHN STEWART CO.	3,282,044	4,192,274	(910,230)	78%
	7,431,594	8,819,557	(1,387,963)	84%

A. ADMINISTRATION

	TIDA Budget 13-14	Expenditures as of 4/30/14	Balance
TRAINING, CONFERENCES AND TRAVEL COSTS (02200)	\$20,300	7,500	\$12,800
EMPLOYEE FIELD EXPENSES (LOCAL FIELD EXPENSES) (02300)	\$2,000	-	\$2,000
MEMBERSHIP FEES (02400)	\$6,700	1,988	\$4,712
PROMOTIONAL AND MARKETING EXPENSE (02500)	\$35,000	9,926	\$25,074
PROFESSIONAL & SPECIALIZED SERVICES (02700)		-	
a. ...OI - OPERATING CONTRACT	\$171,000	126,916	\$44,084
b. TREASURE ISLAND BOYS & GIRLS CLUB HOUSE	\$146,990	25,567	\$121,423
c. TI GYM OPERATIONS YMCA	\$146,775	150,591	-\$3,816
d. OTHER PROFESSIONAL SERVICES (02799)	\$45,000	39,746	\$5,254
e. REDEVELOPMENT PROFESSIONAL SERVICES (02799)	\$695,000	528,495	\$166,505

TOTAL ADMINISTRATION

\$1,268,765 \$890,729 \$378,036

PROFESSIONAL & SPECIALIZED SERVICES (2800)

1. MAINTENANCE SERVICES - BUILDINGS			
A. SCAVENGER SERVICES (Trash Disposal)	\$31,250	23,641	\$7,609
B. JANITORIAL SERVICES (TOOLWORKS)	\$130,000	102,625	\$27,375
C. PEST CONTROL (02803)	\$5,000	2,275	\$2,725
D. GROUNDS MAINTENANCE (RUBICON) (02801)	\$705,000	528,750	\$176,250
E. MAINTENANCE SERVICES (BUILDING) (02809)	\$100,000	-	\$100,000
E. MAINTENANCE SERVICES (FACILITY) (02800)	\$150,000	-	\$150,000
F. MISC. FACILITY (PUBLIC ART HISTORICAL PRESERVATION) (03031)	\$20,000	7,860	\$12,140
2. RENTS & LEASES - EQUIPMENT (03100-03599)	\$50,000	25,311	\$24,689
3. MATERIALS & SUPPLIES (04000)	\$25,000	10,012	\$14,988
4. OTHER MATERIAL AND SUPPLIES - PUBLIC SAFETY (04509)	\$25,000	3,697	\$21,303

TOTAL PROFESSIONAL & SPECIALIZED SERVICES

\$1,241,250 \$704,172 \$537,078

CITY DEPARTMENT WORK-ORDERS

GENERAL SERVICES AGENCY (081CA)	\$2,164,368	1,113,558	\$1,050,810
RISK MANAGEMENT SERVICES (OPERATIONS AND REDEVELOPMENT INSURANCE) (081CB)	\$186,500	96,117	\$90,383
TIS-IDS SERVICES (081CI)	\$26,181	19,636	\$6,545
GF- CITY ATTORNEY - LEGAL SERVICES	\$996,558	303,433	\$693,125
TIS-IDS SERVICES (081CS)	\$487	367	\$120
GF- TIS TELEPHONE SERVICES (081ET)	\$13,892	6,140	\$7,752
GF - FIRE (081FC)	\$103,000	9,500	\$93,500
HR - MANAGEMENT TRAINING	\$4,740	-	\$4,740
IS - ARCH-CENTRAL SHOPS-AUTO MAINT (AAO) (081PA)	\$11,660	7,085	\$4,575
IS - ARCH-CENTRAL SHOPS-FUEL STOCK (AAO) (081PF)	\$3,887	1,559	\$2,328
GF - PARKING & TRAFFIC (081PK)	\$25,000	9,414	\$15,586
IS-PURCH-REPRODUCTION (AAO) (081PR)	\$6,000	758	\$5,242
GF - POLICE SECURITY (SFPD) (081SP)	\$80,087	69,011	\$11,076
GF-PUC - (AAO) (\$880,720 Utility and capital investment , \$150,000 Generators, \$200,000 MOU)	\$1,074,661	724,058	\$350,603
SR-DPW-BUILDING REPAIR (081WB)	\$849,835	733,331	\$116,504
SR-DPW-BUREAU OF STREET ENVIRONMENTAL SERVICES (081WC)	\$154,063	125,829	\$28,234
SR-DPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES (081WR)	\$180,681	(53,554)	\$234,235
SR-DPW-BUREAU OF URBAN FORESTRY SERVICES (081WU)	\$305,902	251,070	\$54,832
ADM - REAL ESTATE SPECIAL SERVICES (DEPT. OF REAL ESTATE- FACILITIES MGMT) (081W6)	\$32,040	8,766	\$23,274
HUMAN SERVICES AGENCY (081SS)	\$40,000	-	\$40,000
DEPARTMENT OF PUBLIC HEALTH (081HP)	\$50,000	-	\$50,000

TOTAL CITY DEPARTMENT WORK-ORDERS

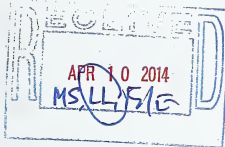
\$6,309,542 \$3,426,076 \$2,883,466

TOTAL OPERATIONS EXPENDITURES

\$8,819,557 \$5,020,977 \$3,798,580

REVENUES LESS EXPENDITURES AS OF 04/30/14

\$2,410,616



MEMORANDUM

To: Mirian Saez, Director of Operations
Treasure Island Development Authority
City of San Francisco
410 Palm Avenue
Building 1, 2nd Floor
San Francisco, CA 94130

Date: April 4, 2014

RE: Base Rent Adjustment for the April 2014 to March 2015 period

Per the Sublease, Development, Marketing and Property Management Agreement between the Treasure Island Development Authority and the John Stewart Company, the Base Rent for the Sublease must be adjusted using a "CPI Adjustment" (Section 15.2). The agreement specifies that the adjustment will use the CPI for Urban and Wage Earners and Clerical Workers published most immediately preceding the Adjustment Date and compare this to the Index published most immediately preceding the prior Lease Year.

The CPI for the San Francisco-Oakland-San Jose area is attached (from the United State Department of Labor, Bureau of Labor Statistics).

Based on the underlying sublease agreement language, the underlying \$500,000 base rent is inflated by CPI increase between 2013 and 2014. Base rent for the 2013-14 periods has been 620,191.00. The Base Rent for 2014-15 is therefore adjusted as follows:

Year over year adjustment from 2013 to 2014 is $245.148/240.262 = 1.02034$ (see attached)

The new Base Rent adjustment for the upcoming period is:

$$(620,191.00) \times (1.02034) = 632,806.00 \text{ (or } 52733.67 \text{ monthly)}$$

The adjusted Base Rent payments as prescribed under the sublease will thus be adjusted to \$52,733.67 monthly for the April 2014 to March 2015 period.

Sincerely,

Jeffrey Kohler

Attachments

Cc: John Stewart, JSCo
Connie Le, JSCo
Lynny Lee, JSCo
Dan Stone, JSCo

Loren Sanborn, JSCo
Paula Schlunegger, JSCo
Jack Gardner, JSCo

Years: 2004 to 2014

[illegible]



TREASURE ISLAND

Monthly Maintenance Common Area Charges 2014

MAY - 1 2014
MS, L, 91E

6589—MAINTENANCE-COMMON AREA CHARGES: The figure of an average \$28,300 per month/\$339,608 per year is included. Common Service charges are referenced in Section 3.1.2. and 3.1.3 of Exhibit 1 as part of the Exhibits to the Sublease Agreement. Common Service Charges are composed of two parts: a charge for the land (\$6,886.96 per month) and a charge for the structures (\$23,317.54) The Common Area charge for the structures is a function of each apartment's square footage. While Common service Charges per annum have been historically fixed at \$30,204.50 per month/ \$362,454.00 per year based upon a portfolio of 632 units, this expense was reduced in July 2007 by **\$1,962.38 per month to \$28,242.10 per month**/\$338,905.20 per year with the return of the 54 "borrowed" units to Treasure Island Homeless Development Initiative. The Common Area Charges are now based upon a portfolio of 578 units.

ENTERED

PAID
APR 28 2014
BY: _____





MEMORANDUM

MAY 1 2014
MS L FILE

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Suzanne Wood, Edison Capital Jack Gardner, JSCO Dan Stone, JSCO
John Stewart, JSCO Loren Sanborn, JSCO Connie Le, JSCO
Sonya Rosenbach, JSCO Lynny Lee, JSCO

From: Jeffrey Kohler

Date: Apr 24, 2014

Subject: Percentage Rent for Treasure Island Housing Project Sublease for Mar 2014

Enclosed is our payment of Percentage Rent in the amount of \$345,849 for the Mar 2014 period, calculated per the sublease agreement. As a proactive management measure, please note that due to the higher vacancy loss that we have and are projecting to experience due to the pending resident relocations as a result of the Navy's take back of residential units, we are temporarily suspending the 2010 audit disbursement reduction (this is the recouping of 1/36th of prior year audit adjustments outlined in the 2010 Audit). We are projecting for the audit disbursement reductions to resume with the 2014/2015 budget operating cycle. It is important to note that we have made significant progress on this repayment plan since, as of the date of this memo, we has recouped 18/36th (50%) of prior year audit adjustment.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of Mar 2014, actual Total Revenues were about 2.56% below budgeted Total Revenues. Total expenses for Mar 2014 were approximately 7.13% below budgeted for the month. The result was that Funds Available for Mar 2014 Distribution were \$364,052 or about 6.05% above budgeted amounts.

Calculation of Percentage Rent

Based on operations, a total of \$364,052 in adjusted Gross Revenues after costs of operations are available for distribution for the Mar 2014 period. These revenues are distributed as follows:

<u>Mar 2014 Distributions</u>	<u>Mar 2014 Actual</u>	<u>Mar 2014 Budgeted</u>
Available for Distribution	\$364,052	\$343,275
Percentage rent for TIDA	\$345,849	\$326,095
Repay Prior overpayment (1/36 th total per period)		
Net Disbursed as percentage rent to TIDA	\$345,849	\$326,095
Percentage rent for JSCO	\$18,203	\$17,163

This percentage rent breakdown reflects the current year split by TIDA/JSCO. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

Comparison to Budget		3/31/2014									
		March-14				YEAR TO DATE (T.I.D.A version)					
		Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance		
Total Revenue		965,182	990,558	(25,376)	-2.56%	9,308,595	8,915,041	393,554	4.41%		
Marketing Expenses		3,132	8,727	(5,595)	-64.11%	35,996	78,561	(42,565)	-54.18%		
Administrative Expenses		87,126	97,953	(10,827)	-11.05%	672,647	881,627	(208,980)	-23.70%		
Utilities		141,325	151,569	(10,244)	-6.76%	1,314,517	1,364,127	(49,610)	-3.64%		
Operating and Maintenance		246,399	200,029	46,370	23.18%	1,928,740	1,800,349	128,391	7.13%		
Taxes and Insurance		(11,034)	39,097	(50,131)	-128.22%	840,969	351,909	489,060	138.97%		
% Rent		51,683	51,682	1	0.00%	465,143	465,145	(2)	0.00%		
Reserves		-	11,560	(11,560)	-100.00%	34,219	104,040	(69,821)	-67.11%		
Replacement (excl. anticipated draw)		82,500	86,666	(4,166)	-4.81%	454,122	780,002	(325,880)	-41.78%		
Total Expenses		601,130	647,283	(46,153)	-7.13%	5,746,354	5,825,760	(79,406)	-1.36%		
Available for Distribution		364,052	343,275	20,777	6.05%	3,562,241	3,089,281	472,960	15.31%		
Available for Distribution		364,052	343,275	20,777	6.05%	3,562,241	3,089,281	472,960	15.31%		
TIDA		345,849	326,095	19,738	6.05%	3,384,129	2,934,865	449,312	15.31%		
JSCO		18,203	17,163	1,039	6.05%	178,112	154,467	23,648	15.31%		

TIDA % Rent Payback

Net Disbursed as percentage rent to TIDA

345,849.00

Stop payback till further instruction start from Jan 2014

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
Mar 2014 Operations for Treasure Island Project

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS														
Fiscal Year 2014 Operations for Treasure Island Project														
DRAW	Draw 170	Draw 171	Draw 172	Draw 173	Draw 174	Draw 175	Draw 176	Draw 177	Draw 178	Draw 179	Draw 180	Draw 181	Draw 182	Average 13 months
Units ready for occupancy at beginning of month	578	578	578	578	578	578	578	578	578	578	578	578	578	578
Units occupied during month	448	448	448	448	448	448	448	448	448	448	448	447	448	446
Units occupied and occupied during month	448	448	448	448	448	448	448	448	448	448	448	447	448	446
Average Unit Rent														
REVENUE FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)	(179,580)
Less: Other Revenue	191	191	191	191	191	191	191	191	191	191	191	191	191	191
Less: Other Expenses	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Net Revenue	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949	1,546,949
EXPENSES FROM OPERATIONS														
Total Gross Rent Potential	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438	1,727,438
Less: Vacancy														

Draw	Draw 170	Draw 171	Draw 172	Draw 173	Draw 174	Draw 175	Draw 176	Draw 177	Draw 178	Draw 179	Draw 180	Draw 181	Draw 182	Average
Units ready for occupancy at Beginning of month	578	579	578	578	578	578	578	578	578	579	580	578	578	578
Units Leased and Occupied during month	578	579	578	578	578	578	578	578	578	579	580	578	578	578
Unexpended Units Leased and Occupied during month	578	579	578	578	578	578	578	578	578	579	580	578	578	578
Average Unit Rent	578	579	578	578	578	578	578	578	578	579	580	578	578	578
6542 Repairs Contract	4,720	1,874	3,224	4,335	685	11,382	2,568	32,264	(891)	1,676	1,720	23,843		
6543 Plumbing Maintenance	3,961	8,750	4,313	1,068	3,315	3,080	1,135	8,172	746	710	790	20,455		
6544 Electrical Maintenance	1,338	4,376	-	2,250	-	420	582	-	-	1,761	-	(4,537)		
6546 Heating and Cooling	16,337	335	3,408	-	145	-	8,838	2,298	2,355	895	5,588	-		
6548 Payroll Environmental	-	-	-	-	-	-	-	-	-	-	-	-		
6549 Insurance Repairs	111	745	2,897	589	1,221	5,122	18,643	791	224	94	48,244	1,451		
6550 Insurance Accounting Supply & Contract	675	923	859	1,823	1,434	1,468	3,246	1,038	-	1,447	827	852		
6570 Vehicle Leases	-	-	-	-	-	-	-	-	-	-	-	-		
6572 Maint and Equipment Repair	4,300	14,900	10,500	13,860	6,300	13,200	-	2,803	9,087	1,162	3,370	-		
6580 Misc. Oper and Maintenance	50	50	520	50	-	-	435	-	9,261	6,654	150	-		
6581 Janitorial/Laundry Service	1,287	1,262	4,300	8,173	-	2,420	11,161	2,321	2,961	8,564	-	-		
6586 Fire Alarm Center	-	-	-	-	-	-	-	-	-	-	-	-		
7230 Interior Replacement (eligible for RR Draw)	29,185	18,507	70,371	64,274	22,210	19,045	48,750	15,324	22,866	10,265	14,855	30,954	52,685	
7240 Appliance Replacement (eligible for RR Draw)	34,165	11,757	16,225	(213)	16,479	26,638	8,325	5,950	12,350	14,988	10,794	6,465	10,760	
7240 Exterior Replacement (eligible for RR Draw)	34,165	11,757	16,225	5,900	84,454	28,638	8,325	5,950	12,350	14,988	10,794	6,465	10,760	
Subtotal: Operating and Maintenance	267,482	194,007	317,854	246,824	278,591	215,613	287,304	214,408	217,458	213,313	177,102	244,862	300,657	
6711 Payroll Taxes	4,103	4,593	3,991	3,951	3,900	3,970	3,816	4,096	3,857	5,913	6,590	4,295	4,497	
6700 Misc. Liabilities/Permits	-	-	-	1,094	-	-	-	-	-	-	-	-	-	
6720 Property Insurance (eligible for RR Draw)	13,722	13,722	13,722	13,722	13,266	13,038	13,038	14,540	14,540	14,540	14,540	14,540	14,540	
6802 Insurance Claims Expense	-	-	4,231	45,624	32,528	64,044	7,686	361,736	(19,000)	7,282	108,481	(47,919)		
6721 Fidelity Bond	4,655	4,419	5,043	4,062	4,201	4,180	4,087	4,366	4,100	4,583	4,270	3,938	4,399	
6722 Employee Compensation	6,500	7,000	6,000	6,000	6,000	6,000	6,000	6,241	6,241	6,241	5,742	5,742	5,742	
6723 Emp. Health and Life Insurance (excludes 6720)	6,500	7,000	6,000	6,000	6,000	6,000	6,000	6,241	6,241	6,241	5,742	5,742	5,742	
6720 Property Interest Tax	6,322	6,322	6,322	6,322	6,322	6,308	6,308	6,308	6,308	6,308	6,308	6,308	6,308	
6710 Payroll Interest Tax	6,322	6,322	6,322	6,322	6,322	6,308	6,308	6,308	6,308	6,3				

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
Mar 2014 Operations for Treasure Island Project

[illegible]



TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Treasure Island Development Authority Board of Directors
From: Peter Summerville
Date: April 30, 2014
Re: Treasure Island Power Outages – April 2014
Cc: Mirian Saez, Director of Island Operations

On Sunday April 27th at approximately 5:00 PM Treasure Island experienced a power outage. PUC dispatched repair crews and issued an RSAN Utility Outage Alert. SF311 created a Temporary Event and issued an AlertSF public notification. Power was restored to Treasure Island at approximately 5:55 PM. The immediate cause of the outage was not immediately determined by PUC.





TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Mayor Edwin M. Lee

cc: Steve Kawa, Chief of Staff
Naomi Kelly, City Administrator

From: Mirian Saez, Director of Island Operations

Date: May 2, 2014

Re: Treasure Island Informational Update

On-Island Department of Public Health Nurse Intervention Clinic Opens

A twice-weekly DPH on-Island Nurse Intervention Clinic at Treasure Island Gymnasium began serving the Island residents on April 23rd. Staffed by a DPH R.N. and a Health Worker, the Clinic offers urgent, low-acuity treatments, screenings, advice, vaccines and linkages to primary care. **All services offered are completely free of charge to all TI/YBI residents.** Clinic hours are every Wednesday and Friday from 2P to 6P. The clinic saw 11 separate cases on its first day of operation, and the DPH R.N. has also begun conducting "Taking Care of Your Body" demonstrations with the TI Gym's After-School Program, teaching stretching, dental hygiene, nutrition, and wellness to Island children. A formal Grand Opening Celebration is being planned for the near future.

Community Resiliency

TIDA issued a Request for Qualifications (RFQ) to identify a consultant to assess the **emergency preparedness capabilities of on-Island residential property managers and community-serving agencies.** Four responses were received by the deadline and, upon scoring of the responses, Lucien G. Canton, CEM LLC was selected as the contractor. The contractor will spend the next few months intaking the individual agencies emergency plan documents, meeting with each individual agency, and ultimately formulating individual reports detailing the agency's existing strengths and areas for improvement specific to their individual agency's on-Island emergency response plans and procedures. Project completion is expected in early August 2014.

Market Rate Residential Property Manager Request for Proposal (RFP)

The deadline for responses to TIDA's Request for Proposals for the sublease and management of the Treasure/Yerba Buena Islands market-rate residential portfolio was Friday April 18th. TIDA received one response, from the John Stewart Company, TIDA's incumbent market-rate property manager. The Response has been deemed responsive to the bid parameters by TIDA and by the City's Contract Monitoring Division. **TIDA staff is currently in negotiations with John Stewart Company to finalize a new Sublease and Property Management Agreement.** The final negotiated Agreement will be submitted to the Authority Board of Directors for approval, and subsequently to the Board of Supervisors for approval as required, given the Agreement term length and contract amount.

New Leases (in support of small business and job growth)

Emerging Niche – Public Storage: TIDA has recently signed Subleases with two additional public storage operators, Island Park Storage and Seateq, for use of unimproved lots for public storage operations. Including longtime TIDA subtenants City View Storage and ZipCubes Storage, this brings the number of on-Island public storage companies to four.

TIDA recently executed a sublease with Lanante Enterprises Inc. for classroom space inside Building 264 for use as the headquarters of the **Bay Area BBQ and Grilling School**.

TIDA executed a land sublease with the new owner of Pavilion by the Bay, Patrick McCann, to **continue the use of Pavilion by the Bay as a dynamic Treasure Island Special Event Venue.**

Upcoming Special Events

- **Treasure Island Flea**– The Great Lawn - May 24-25, June 28-29
- **Sunset Music Picnic**- The Great Lawn - June 14, 2014
- **July 4th Public Fireworks Viewing** - The Great Lawn – July 4, 2014
- **Strut Your Mutt Pet Rescue Event**- August 23, 2014



TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Treasure Island Development Authority Board of Directors
From: Mirian Saez, Director of Island Operations
Date: May 9, 2014
Re: Use Permit and Film Permit Waivers

The following waivers were granted for the month of April 2014.

Fee Waivers:

- San Francisco Public Defenders Office , Training, April 24, 2014
- Villages/John Stewart Company, Training, April 22 and 24, 2014
- Academy of Arts university, Student Film Production, April 14 and 15, May 1 and 3, 2014

**Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of May 9, 2014**

Location / Facility	No.	Status (new / expired)	Company Name / Prospective Subtenant	Start Date	Leasehold Type	Sq. Ft.	Monthly Rent
Land at 11 th and Ave H	816	New	Golden State Bridge, Inc.	4/1/14	Storage	4,2500	\$7,500.00
Building 1, Suite 58	823	New	Kelly Elsasser, an individual	4/1/14	Office	250	\$250.00
Building 1, Suite 234	825	New	Golden State Technology Group, Inc.	5/1/2014	Office	330	\$600.00
Building 1 Suites 107,109	831	New	Open Garden, Inc.	4/15/14	Office	680	\$1,125.00
Land at 9 th and Avenue H	834	New	Bay Tires, Inc.	5/1/14	Land	25,000	\$2,600.00
Chapel Lot	P-824	New	Shuffle, Inc.	4/12/14	Parking	N/A	\$1,000.00
Treasure Island Road	P-826	New	Heist, Inc.	4/14/14	Photo	N/A	\$500.00
Treasure Island Road	P-827	New	Shuffle, Inc.	4/10/14	Film	N/A	\$500.00
Great Lawn	P-828	New	Sunset SF, Inc.	9/7/14	Event	N/A	\$2,500.00
Lot at 401 13 th Street	P-830	New	C3 Church, Inc.	4/29/14	Event	N/A	\$500.00
Chapel	P-832	New	Rev. Rachelle Pierson/Led By Faith Ministries	5/1/14	Church	N/A	\$1,800.00
Various	P-833	New	Enso Collaborative, LLC	5/7/14	Film	N/A	\$1,000.00
Casa	E-30	New	Erika Cheng, an individual	8/23/14	Event	N/A	\$4,500.00
Casa, Chapel	E-31	New	Sue Larramendy, an individual	8/31/14	Event	N/A	\$5,500.00
Chapel	E-32	New	Eddy Navarro, an individual	10/11/14	Event	N/A	\$1,000.00
Casa	E-33	New	Anne Aguilar	9/6/14	Event	N/A	\$2,250.00
Casa	E-34	New	Team Commercial, Inc.	12/5/14	Event	N/A	\$4,500.00





TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Mirian Saez, Director of Island Operations
From: Peter Summerville
Date: May 9, 2014
Re: Clipper Cove Administrative Citations and Citation Fee
Payment Processing

On March 6, 2013 the San Francisco Board of Supervisors unanimously approved revisions to San Francisco Police Code Section 1.1 – Clipper Cove Special Use Area ("SFPC Section 1.1") allowing the Treasure Island Development Authority ("TIDA") to issue Administrative Citations ("Cove Citations"), with associated Citation Fees, to vessels and vessel owner/operators found in violation of SFPC Section 1.1 or the Clipper Cove Special Use Area Rules and Regulations ("Cove Rules and Regulations"). Over the past year TIDA staff has worked with the Office of the City Attorney, the Office of the Controller, General Services Agency Accounting ("GSA Accounting") and the Office of the Treasurer/Tax Collector ("TTX") to finalize the form of the Cove Citations, the process for Appeal of Citations and receipt and processing of Cove Citation Fee payments. All elements of this process are now complete, and TIDA is now fully able to issue Cove Citations and process payment of Cove Citation Fees.

Form of Citation and Citation Issuance

The final form of the Clipper Cove Administrative Citation is attached to this memo as **Attachment A**. The San Francisco Police Department (SFPD) Marine Unit has provided input on sections of the form containing vessel information. The Office of the City Attorney has reviewed the form to assure consistency with San Francisco Administrative Code Section 100 ("Admin. Code Section 100") requirements, and the Office of the Controller has reviewed the form's Notice of Appeal language and confirmed Controller's Office acceptance of, and participation in, the Appeal hearing process available to vessel owner/operators issued a Cove Citation.

Citations will be issued by TIDA staff to vessels found in violation of SFPC Section 1.1 or the Cove Rules and Regulations. TIDA staff shall not issue Citations at this time to vessel owner/operators or vessel occupants, but shall instead contact SFPD Marine Unit when Citation issuance requires engaging vessel owners/operators/occupants.

Payment of Citation Fees

Cove Citations carry an associated Fee ("Cove Citation Fee") of either \$100 or \$500 depending on the specific Violation cited. Cove Citation Fees may be paid by check, money order, cashier's check, debit card, credit card or electronic check.

Cove Citation Fee payments made by check, cashier's check or money order, made out to "City and County of San Francisco" will be mailed to TIDA for initial intake and processing. As with other check/money order payments received by TIDA, Cove Citation Fee payments will then be routed to GSA Accounting, who will assure that the revenue from these payments is appropriately deposited to the City's General Fund as stipulated by Admin Code Section 100 and SFPC Section 1.1.

Cove Citation Fee payments made on-line by credit card, debit card or e-check will be accepted by TTX's on-line payment vendor FIS through a secure on-line portal established by TIDA and FIS. A link to this portal will be established on the TIDA website as well as on the City's on-line fee payment website Services.SfGov.org. Cove Citation Fee payments made online are routed by FIS to the City's General Fund through account and deposit information provided by GSA Accounting and TTX. Screenshots of the on-line portal are attached to this memo as **Attachment B**.

Tracking of Citations and of Citation Fee Payments

Upon issuing a Cove Citation, TIDA staff shall log the Cove Citation internally and shall also provide updated Cove Citation data to FIS. Upon receipt of Cove Citation Fee payment, TIDA staff shall update the internal TIDA log as well as the Citation data held by FIS. FIS shall also alert TIDA when Cove Citation Payments are made through the on-line payment portal.

All Cove Citation Fees are due within 30 days of Cove Citation issuance, including cases where an Appeal is requested. Non-payment of Cove Citation Fees will be forwarded to the City Attorney's Claims Division for pursuit of civil action against the individual in question and/or the registered owner of the vessel in question.



NOTICE OF
ADMINISTRATIVE CITATION

XXXX-COVE

This proof is submitted for your review and approval. It is supplied for content, layout, and version review and does not reflect paper or ink match. Please review your proof carefully.

TAB		VESSEL TYPE		VESSEL NUMBER		DATE ISSUED	TIME ISSUED
STATE	YR					<p>NOTE: FAILURE TO PAY FINE MAY RESULT IN CIVIL ACTION. FINE ON THE CITY MAY BE INCURRED FOR THE UNPAID ACCOUNT PLUS COSTS AND FEES INCURRED BY TDA OR THE CITY. S.F. ALIEN CODE 100.</p>	<p>IDENTIFY ALIEN PENALTY OF FINEMENT THAT THIS CITATION IS MADE HEREIN, LOCATED AT THE PLACE ON THE DATE SHOWN ABOVE. ISSUED BY (SIGNATURE): NAME/TITLE:</p>
VESSEL NAME				VESSEL COLOR			

	✓	VIOLATION	PENALTY
1		LACK OF LICENSED PERMIT S.F. POLICE CODE 11	\$ 100
2		REMAINING IN DISPERSED TOOK AT TDA OR THE CITY PENALTY EXPANDED BY POLICE CODE 11	\$ 500
3		UNAUTHORIZED SALVAGE ACTIVITY S.F. POLICE CODE 11	\$ 100
4		REMAINING IN DISPERSED TOOK AT TDA OR THE CITY PENALTY EXPANDED BY POLICE CODE 11	\$ 500
5		DISPERSED TOOK AT TDA OR THE CITY PENALTY EXPANDED BY POLICE CODE 11	\$ 100

CITATION ISSUED TO:
LOCATION ISSUED:
DESCRIPTION (DETAILS OF VIOLATION):

DO NOT MAIL CASH. SEE INSTRUCTIONS.
PAYMENT DUE WITHIN 30 DAYS OF ISSUANCE DATE.

PERF

PERF

BACK 2: HEAD TO RIGHT

PAYMENT OPTIONS

- 1.) By Credit/Debit Card
BY INTERNET: www.services.sfgov.org
- 2.) By Mail:
Send check or money order, payable to
CITY AND COUNTY OF SAN FRANCISCO to:
Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130
- 3.) In Person:
Pay by check or money order at:

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130
Hours are M-F 9:00 AM – 5:00 PM

NOTICE OF APPEAL

To seek administrative review of the citation you must file an appeal with the City and County of San Francisco's Office of the Controller within 30 calendar days of issuance date on the citation. Failure to appeal within the 30-day period will render this citation a final action by the City for which there is no administrative or judicial review.

The grounds for any such appeal shall be that there was no violation of the ordinance for which the citation was issued or that the person or vessel cited did not commit the violation (San Francisco Administrative Code Section 100.8).

All fines must be submitted with your appeal, unless you are applying for an advance deposit hardship waiver as provided for in SF Admin. Code Section 100.13. Submit your written appeal and a check payable to The City and County of San Francisco to:

Controller's Office
City Hall Room 318
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

tel: (415) 554-7500
fax: (415) 554-7466
email: controller@sfgov.org

To apply for an advance deposit hardship waiver contact the Controller's Office at (415) 554- 7500 or visit www.SFTreasureIsland.org for appropriate forms.

This proof is submitted for your review and approval. It is supplied for comment, layout, and version review and does not reflect paper or ink marks. Please review your proof carefully.

PERF

PERF

DEAD
TO HEAD 4; BACK

FROM:

PERF

PERF

PERF

TO PAY PENALTY

REMOVE THIS STUB.
INSERT YOUR CHECK
OR MONEY ORDER.
EXPOSE ADHESIVE
AND FOLD OVER TO
SEAL ENVELOPE.

Place Stamp
Here
Postage
Office will
not deliver
mail without
postage.

TO PROTEST

DO NOT USE THIS
ENVELOPE.

FOLLOW DIRECTIONS
PROVIDED ON BACK OF
THE ORIGINAL
CITATION. INSERT THE
ORIGINAL CITATION IN
YOUR OWN ENVELOPE
AND MAIL TO THE
ADDRESS SHOWN ON
BACK OF ORIGINAL
CITATION.
MAKE A COPY TO KEEP
FOR YOUR RECORDS.

**FOR PAYMENT
ONLY**

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF PALMS, SUITE 241
SAN FRANCISCO, CA 94130



941303

PERF

PERF

PERF

PROOF 2
+ 8310018073



This proof is submitted for your review and approval. It is supplied for content, layout, and version review and does not reflect paper or ink match. Please review your proof carefully.

This proof is submitted for your review and approval. It is supplied for content, layout, and version review and does not include paper or ink marks. Please review your proof carefully.

FACE 3

PERF

PERF

PAYMENT OPTIONS:

1) By Credit/Debit Card

BY INTERNET: WWW.SERVICES.SFSGOV.ORG

2) By Mail

USE THIS ENVELOPE TO REWIT CHECK OR MONEY ORDER ONLY. ENCLOSE TICKET WITH PAYMENT.

Write your citation number and vessel identification number on your payment. DO NOT MAIL CASH.

(Please detach at PERF before mailing)

DO NOT USE THIS ENVELOPE FOR PROTESTS

(see back of original citation for Request for Review form)

FOR FURTHER INFORMATION, PHONE:

415-274-0660

XXXX-COVE

PERF

PERF

City & County of San Francisco Treasure Island Development Authority

Search For Clipper Cove Citations

Citation Number (required)

COVE-0250

(COVE-####)

Cancel

Continue

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130 • (415) 274-0660 • Contact (304) 686-0202
[Contact SFGov](#) • [Accessibility](#) • [Policies](#)
City and County of San Francisco ©2000-2014

City & County of San Francisco Treasure Island Development Authority

Search Results

Please check box next to the citation and click Continue.

Fields marked with an asterisk (*) are required

* Citation Number :

COVE-0250



Select

All

Date Issued

Vessel Number

Vessel Kind

Citation Amount



4/5/2014

USCG 68666A

Celestimeran

\$100.00

Payment Amount: \$100.00

Go Back/Edit

Cancel

Continue

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130 • (415) 274-0660 • Contact (304) 686-0202
[Contact SFGov](#) • [Accessibility](#) • [Policies](#)

City & County of San Francisco Treasure Island Development Authority

Payment Entry

Payment Method:

Card Information

Card Number:

Expiration Date:

Card Identification Code:


Billing Information

Name:

Address:

City:

State:

Zip:

Phone:

Email:

Treasure Island Development Authority



City & County of San Francisco Treasure Island Development Authority

Terms and Conditions

I acknowledge that the information provided herein is true and correct. I also acknowledge that in paying this citation through this on-line portal I waive my right to administrative appeal of this citation, and that any administrative appeal of this citation is only allowable as proscribed on the reverse side of the written citation, consistent with San Francisco Administrative Code Section 100.

☒ I agree that I have read fully and accept the above terms and conditions

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130 • (415) 274-0850 • Contact (304) 586-0202
Contact SEGA - Accessibility - Policies
City and County of San Francisco 60666-2014



City & County of San Francisco

Treasure Island Development Authority

Review Payment Information and Process Payment

Citation Number: COVE-0250

Date Issued	Vessel Number	Vessel Kind	Citation Amount
4/5/2014	USCG 866684	Calamarian	\$100.00
			Payment Amount: \$100.00
			Convenience Fee: \$2.25
			Total Payment Amount: \$102.25

Card Information

Card Number: ****5454

Expiration Date: 12/15



Billing Information

Name: Captain Aho
Country: US
Address: 1234 Broadway St.
City: San Francisco
State: CA
Zip: 94123
Phone: 415-555-1234
Email: ahoj@yahoo.com

[Go Back/Edit](#) [Cancel](#) [Process Payment](#)

City & County of San Francisco

Treasure Island Development Authority

Thank you for your payment.

Please print this receipt and keep it for your records.

Citation Number: COVE-0250

Date Issued	Vessel Number	Vessel Kind	Citation Amount
4/5/2014	USCG 866684	Calamarian	\$100.00
			Payment Amount: \$100.00
			Convenience Fee: \$2.25
			Total Payment Amount: \$102.25

Receipt Number: 4005490438

Transaction Date: 04/15/2014 12:45 PM

Payment Type:



****5454

[Print](#) [Finish](#)

Treasure Island Development Authority
One Avenue of the Palms, Suite 241

San Francisco, CA 94104-1430 • FAX: 415-224-0588 • Contact: 1704.586.0265





SAN FRANCISCO PLANNING DEPARTMENT

APR 28 2014
MS/RR f/c

DATE: April 23, 2014
TO: Case File No. 2007.0903E
FROM: Rick Cooper, Senior Environmental Planner
CC: Robert Beck, Director, Treasure Island Development Authority
Eric Brooks, Campaign Coordinator, Our City San Francisco
Anthony F. Gantner, Chief Counsel, Our City San Francisco
Re: Recent Information Regarding Radiological Analysis of Soil
Samples on Treasure Island and Recent Communications
Regarding Tsunami Issues

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

INTRODUCTION

Treasure Island and Yerba Buena Island have been part of Naval Station Treasure Island since 1941. The Naval Station was formally closed under the Base Closure and Realignment Act in 1997, and the United States Navy ("Navy") and City and County of San Francisco ("the City") have been working together on transfer of the property to the City. The Treasure Island Development Authority ("TIDA"), a City agency, and Treasure Island Community Development ("TICD"), a private development group, prepared a detailed plan to redevelop Treasure Island and Yerba Buena Island following transfer. An Environmental Impact Report was certified by the San Francisco Planning Commission and TIDA for the Treasure Island/Yerba Buena Island Redevelopment Project in April 2011 ("the Final EIR"). Certification was upheld on appeal at the Board of Supervisors on June 7, 2011.

Two issues have been raised recently regarding information and conclusions in the Final EIR: updated information from the California Department of Public Health regarding hazardous materials in the soil of Treasure Island, and information from a member of the public regarding tsunami effects in San Francisco Bay and their impact on Treasure Island. Both are discussed below. In both cases the Environmental Planning staff conclude that no supplemental or subsequent EIR is required because there are no substantial changes in the project analyzed in the EIR, no changes in circumstances under which the project is being undertaken, and the information presented in the documents provided does not provide new information indicating that new significant impacts would occur or that impacts identified in the Final EIR as significant impacts would be substantially more severe.

Results of Surveys for Radiological Material in Treasure Island Soil

During the Navy's use of the property, Treasure Island was the site of many industrial activities that resulted in the presence of hazardous materials and hazardous wastes in the soil and in buildings in multiple locations on the island. As part of base closure and pursuant to several federal laws and regulations, the Navy has been performing studies, identifying contamination, and remediating the sites where chemicals of concern were found. This program follows Department of Defense procedures based on the requirements of two main federal statutes: the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and the Resource Conservation and Remediation Act ("RCRA"). As of the date of EIR publication, several contaminated sites

had been remediated by the Navy and closed pursuant to the requirements of CERCLA, and others were still open and in the process of being remediated. The studies and remediation activities related to potential contaminants of concern on Treasure Island are discussed in the Final EIR in Section IV.P, Hazards and Hazardous Materials on pp. IV.P.1 – IV.P.27. The Final EIR stated that, at the sites that had not been closed, the Navy's investigation and remediation activities were ongoing. (See Final EIR, p. IV.P.17.) As noted on Final EIR p. IV.P.3, the Navy's remediation activities are not part of the proposal to redevelop Treasure Island and Yerba Buena Island. Further, the Final EIR explained that "TIDA cannot accept any property with known radiological contamination. If radiological materials are subsequently discovered during construction activities, the Navy would be responsible and required to perform any necessary remedial activities to obtain a "free release" of the subject property." (Final EIR, p. IV.P.15-16.)

One of the studies performed by the Navy and discussed in the EIR was a base-wide Historical Radiological Assessment, prepared in 2006 ("2006 HRA"). The 2006 HRA identified five locations where radiological contamination might be found on Treasure Island. The Final EIR summarizes these findings on pp. IV.P.15-IV.P.16. The Final EIR refers to one of these sites as "Site 12."

The Navy has continued to study radiological contamination on Treasure Island since certification of the Final EIR. In 2013, the Radiological Health Branch of the California Department of Public Health assisted with survey efforts by collecting and testing samples at five locations within Site 12 on Treasure Island. The Radiological Assessment Unit of the Radiologic Health Branch reported the results of these tests in a memorandum dated June 26, 2013, updated September 23, 2013 (the "RAU Soil Sampling Report").¹ The conclusions in the RAU Soil Sampling Report are that there is radium (Ra-226) in the soil at the five locations sampled, and that Cesium-137 concentrations for 9 of the 11 samples tested were below the minimum detectable activity values (MDA) and for the remaining 2 were at ambient background levels. Additional sampling to establish the extent of radium contamination, and remediation, were recommended. Further testing continues, with additional samples taken by a contractor to the Navy in September and October 2013, and cleanup actions planned in 2014.

Investigation, characterization, and where necessary remediation by the Navy of radiological contamination is already discussed in the Final EIR on pp. IV.P.15 – IV.P.16. These activities are part of the existing and ongoing clean up of Naval facilities in the base closure program and were accounted for in the Final EIR. The potential that there may be some additional contaminated sites on Treasure Island does not substantially change the discussion or the conclusions in the Final EIR, which explains that transfer of radiologically contaminated sites to TIDA will not occur until remediation by the Navy has been accomplished. No further environmental analysis is required to address the

¹ Roger K. Lupo, Chief, Radiological Assessment Unit, and Victoria Brandt, Associate Health Physicist, "RAU Staff Soil Sampling, Treasure Island, Site 12, March 20-21, 2013," Memorandum to Jerry Hensley, Chief, Strategic Planning and Quality Assurance Section, dated June 26, 2013, Updated September 23, 2013. A copy of this memorandum is available for public review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File no. 2007.0903E. The memorandum is also available on the Department of Toxic Substances Control website at: www.envirostor.dtscc.ca.gov/regulators/deliverable_documents/7569792032/2013-0321_TI_RHB_Survey_Site_12-Soil_Sample, accessed November 27, 2013.

additional nine potentially contaminated sites. As explained in the EIR, if, based on further investigations, the Navy determines that additional radiological contamination is present at a site, then the Navy must fully remediate the radiological contamination before the site is transferred; thus, the clean-up at a site must be completed before development of that site can proceed.

Circumstances under which the proposed project will be undertaken have not changed substantially. The recent reports on radiological contamination at Treasure Island do not raise new issues and do not identify potential new significant impacts that were not discussed in the EIR. The significant effects identified in the EIR would not be substantially more severe, and therefore would not result in the need for new mitigation measures not identified in the EIR (note that no mitigation measures related to reducing impacts from hazardous materials were found to be infeasible as part of the approval actions on the proposed project). No subsequent or supplemental EIR is necessary.

Tsunami Issues

A letter discussing tsunami issues was sent to the Environmental Review Officer in October 2013. The letter identifies a United States Geological Survey (USGS) study of potential tsunami effects. The letter purports to summarize the USGS study and states that the study shows that an earthquake in Alaska could result in inundation on Treasure Island, that sea level rise will result in similar inundation, and that this is new information requiring a Supplemental EIR.²

These issues are the same as those raised regarding tsunami impacts during the public hearings on certification of the Final EIR by the San Francisco Planning Commission in April 2011 (pp. 36-37) and on the appeal of EIR certification at the San Francisco Board of Supervisors in June 2011 (pp. 16-17), as well as at other hearings on the proposed Treasure Island/Yerba Buena Redevelopment Project. The Final EIR addresses the potential for impacts due to tsunami in Section IV.O, Hydrology and Water Quality, specifically on pp. IV.O.5-IV.O.7, IV.O.30-IV.O.35, and IV.O.48-IV.O.50. As explained there, the proposed project includes an adaptive management strategy for addressing sea level rise in combination with other flooding risks, including tsunami. The EIR discussions are based on a Coastal Flooding Study prepared for the project site by the experts at Moffatt & Nichol Engineers.

The USGS study summary enclosed with the letter to the ERO discusses a "hypothetical but plausible" tsunami scenario that is theoretically possible from a major earthquake in Alaska.³ As noted in the summary report, the frequency of the tsunami scenario studied "would occur, on average, on the order of hundreds of years." The resulting wave heights in San Francisco Bay are not identified in the summary report, but are summarized in Chapter E of The SAFRR Tsunami Scenario – Physical Damage in

² Eric Brooks, Campaign Coordinator for Our City San Francisco, and Anthony Gantner, Chief Counsel for Our City San Francisco, letter to Sarah B. Jones, Environmental Review Officer, October 7, 2013. A copy of this document is available for public review at the San Francisco Planning Department, 1650 Mission Street, as part of Case File No. 2007.0903E.

³ USGS, "The SAFRR Tsunami Scenario – Improving Resilience for California," Fact Sheet 2013-3081, August 2013. While not an author of the paper attached to Mr. Brooks' letter, David Dykstra of Moffatt & Nichol Engineers participated in the series of studies for the Tsunami Scenario report and authored a portion of the main report.

California.⁴ As stated there, in the hypothetical event analyzed, there could be wave heights in excess of six feet at the Golden Gate, and flooding could occur along The Embarcadero of between three and six feet. Wave heights and inundation are not estimated for Treasure Island, but flow depths at Port of Oakland facilities are estimated at less than two feet, considerably less than the heights estimated at the Golden Gate. That is, the wave height at the entrance to the Bay would be higher than wave heights inside the Bay, as explained on EIR p. IV.O.7. There is no indication in this report that Treasure Island would be completely inundated, unlike the statements in the letter from Mr. Brooks.

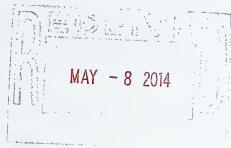
The EIR discusses tsunami effects in Impact HY-11 on p. IV.O.48. As explained there, flooding from run-up conditions accounting for combined tides, surge, waves, and tsunami was estimated at from 10 to 16 feet, similar to the information in the USGS report. The Development Plan includes strengthening and raising the protective berms around Treasure Island to prevent flooding effects, including from tsunamis. An adaptive management strategy to address flooding from sea level rise would also contribute to protection from tsunami wave action. Improvements in the Treasure Island Development Plan include raising the perimeter berm for up to 16 inches of sea level rise, and raising the ground elevation of building pads to between three and three-and-one-half feet above the current 100-year high-tide elevation to accommodate up to three feet of sea level rise. In addition, no development other than open space facilities is proposed to be located within 200-300 feet of the western shoreline (except the proposed ferry dock and terminal). An on-going monitoring program will regularly review sea level rise data as new information becomes available. A decision-making framework for future improvements will be established with multiple opportunities to implement further adaptive strategies, such as increasing the height or changing the shape of the perimeter berm or constructing sea walls. In addition, a funding mechanism will be established to pay for any adaptive strategies that are determined to be necessary in the future.⁵

The information from the USGS SAFRR Tsunami Scenario does not present new information compared with that used in developing the proposed level of flood protection or new information identifying any new significant impacts of the environment on the proposed development of Treasure Island that were not identified in the EIR. No new mitigation measures have been identified that would reduce otherwise significant impacts discussed in the EIR, and no changes in circumstances have occurred that would result in new significant impacts not identified in the EIR.

In view of the above, the Department has determined that no subsequent or supplemental EIR is required.

⁴ Porter, Keith, William Byers, David Dykstra, Amy Lim, Patrick Lynett, Jamie Ratliff, Chyarles Scawthorn, Anne Wein, and Rick Wilson, *The SAFRR Tsunami Scenario – Physical Damage in California*, Chapter E in *The SAFRR Tsunami Scenario*, S.L. Ross and L.M. Jones, eds, USGS Open-File Report 2013-1170-B, California Geological Survey Special Report 229, pp. 57-64. Available on line at <http://pubs.usgs.gov/of/2013/1170/3/04/of2013-1170e.pdf>. Accessed 12/4/13.

⁵ See also Moffatt and Nichol Engineers, "Proactively Addressing Sea Level Rise for the Treasure Island Redevelopment Project," April 2010. This document was included in the administrative record for the Final EIR, and is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2007.0903E.



To: Mirian Saez, Director of Operations, TIDA

From: Dan Stone, Property Manager, The Villages at Treasure Island *DS*

CC: Jack Gardner, CEO, The John Stewart Company
Loren Sanborn, Senior Vice President, The John Stewart Company
Jeff Kohler, Vice President, The John Stewart Company

Date: May 1, 2014

Re: Mold and Moisture Control Operational Procedure

The Villages at Treasure Island (The Villages) recently conducted a comprehensive audit and analysis of our protocol and procedures related to mold and moisture control for the units under management by the Villages.

This audit and analysis included:

- Work Order review from 2010 to present

- Review of specific mold issues within the Villages community from 2010 to present

- Review and discussion with key personnel of John Stewart Company's (JSCo) Mold & Moisture control protocol. Discussions including Dan Levine of JSCo.

- Interviews with maintenance personnel to discuss proper protocol

- Refresher training of all maintenance personnel related to Mold & Moisture control

- Review of site documentation of issues related to mold and moisture control

As a result of this audit and analysis I can attest the Villages is following both industry accepted standards and John Stewart Company's protocol to address and document issues related to mold.

Attached is JSCo's Mold and Moisture Control.

Mold & Moisture Control

Mold growth can occur when moisture accumulates on materials such as wood, paper, carpet and insulation. Controlling moisture can control indoor mold growth.



Can Mold Cause Health Problems?

Inhaling or touching mold or mold spores may cause allergic reactions in sensitive individuals. Allergic responses include hay fever-type symptoms, such as sneezing, runny nose, red eyes, and skin rash (dermatitis). Mold exposure can also irritate the eyes, skin, nose, throat, and lungs of both mold-allergic and non-allergic people.

How Are Molds Regulated & What Standards Exist?

For regulatory purposes, mold falls under the category of "indoor air quality." Although several agencies regulate indoor air quality—US Environmental Protection Agency (EPA), National Institute of Occupational Safety and Health (NIOSH), and the Centers for Disease Control (CDC)—no federal or state regulations or standards addressing mold prevention or remediation have been published. It is for this reason that the California Department of Health Services does not generally recommend mold testing.

**The California Department of Health Services
does not generally recommend testing for mold.**



Control Moisture to Prevent Mold

Prevent indoor mold growth by controlling moisture. If you clean up the mold, but don't fix the water problem, the mold will come back. Moisture control is the key to mold control:

Interior Prevention

- ☐ Inspect for mold every time you enter a unit.
- ☐ Use one switch to control bath fan *and* bath light.
- ☐ Use only 100 CFM replacement bath fans & 190 CFM range hood fans.
- ☐ Make sure clothes dryers, wall heaters, hot water heaters and stoves are properly vented.
- ☐ Keep air conditioning drip pans and drain lines clean and unobstructed.
- ☐ Give residents the attached mold control hand-out.

Exterior Prevention

- ☐ Clean and repair roofs, gutters and downspouts regularly.
- ☐ Clean catch basins and area drains regularly.
- ☐ Adjust irrigation heads to spray away from building walls.
- ☐ Use splash blocks and slope ground away from the building so water does not collect around foundation.



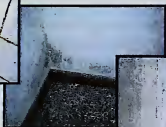
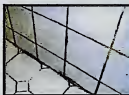
Water Intrusion

- ☐ Stop sewer backups, leaky roofs, windows, pipes, or other water intrusion immediately.
- ☐ Respond to water intrusion incidents and mold growth within 24 - 48 hours.
- ☐ Call environmental professionals for sewer backups and major mold cleanup.
- ☐ Document major water intrusion incidents and mold occurrences on the *Mold + Moisture Incident Investigation Form*.

Always be on the Lookout for Mold

If you can see mold or smell a musty odor, you have a mold problem. Visually inspect for mold indoors and on exterior building surfaces at:

- ☐ Annual Apartment Unit Inspections
- ☐ Unit turnovers
- ☐ Quarterly Safety Inspections
- ☐ Every time you enter a unit



Look for Mold in These Locations

- ☐ Bathrooms & kitchens: walls, ceilings & under sinks.
- ☐ Sheetrock on interior surface of outside walls & inside closets.
- ☐ Window sills.
- ☐ Behind furniture placed against outside walls.
- ☐ Use the "sniff test" to identify musty & dank smells.
- ☐ On the site, look for standing water, water close to foundation walls, irrigation sprinklers spraying on buildings, clogged drains, gutters or downspouts, cracks in siding or missing caulk around windows.
- ☐ Prepare a work order to correct source of moisture and clean up mold.

Maintenance Clean-up—Small Areas of Mold

Maintenance staff is permitted to clean small areas of mold 10 square feet (1 sq. meter) or less on drywall, smooth ceilings, window sills, window tracks, kitchens, showers and other surfaces.

- ☐ **Wear personal protection:**
 - N95 disposable filtering face piece dust mask.
 - Long rubber gloves that extend to middle of forearm to protect your hands and arms.
 - Goggles without ventilation holes to avoid getting mold spores in your eyes.
- ☐ **Vacate people** from work area.
- ☐ **Take a moisture reading** with a moisture meter, such as a Delmhorst BD2100, to record moisture content of materials.
- ☐ **Clean away mold** with a biodegradable detergent such as Earth Choice Shower Control (HDSupply # 181901).
- ☐ If mold persists, disinfect with Tilex, X-14 or a solution of 10% household bleach (1-1/2 cup bleach per gallon of water). Let dry naturally overnight for maximum effectiveness.
- ☐ **Re-inspect routinely** to confirm that mold growth is not present.
- ☐ **Do not** dry-scrape, paint over, or caulk over mold.
- ☐ **Do not** remove sections of drywall, wallpaper, paneling, carpet or any other surface to investigate the presence of "hidden" mold.



Call a Professional for Clean-up of Major Mold/Water Damage

A list of environmental consultants and emergency remediation contractors is included in this document. Call environmental professionals to clean-up:

- ☐ Areas of mold larger than 10 sq. ft. (1 sq. meter)
- ☐ Sewer back-ups (black water)
- ☐ Sink, tub and dishwasher backups (grey water)
- ☐ Large scale clean water leaks
- ☐ Suspected hidden mold
- ☐ Where children, people with asthma, allergies, or suppressed immune systems reside.



What Should You do First?

- ☐ **ACT QUICKLY:** stop water leak, sewer backup or other water intrusion.
- ☐ Notify your supervisor
- ☐ Call a professional remediation contractor within 24 - 48 hours
- ☐ Vacate people from area if necessary
- ☐ Document major water and mold occurrences on the *Mold + Moisture Incident Investigation Form*.



Should You Test for Mold?

It is usually not necessary to test for mold and the CA Dept. of Health Services does not generally recommend mold testing as a first step. If mold testing becomes necessary due to litigation, order the test through your attorney.

Should You Involve an Environmental Consultant?

It is a good idea to get an opinion from a professional environmental consultant before remediation of extensive mold, particularly if children or sensitive individuals reside in the apartment. You may also engage an environmental consultant to investigate resident mold complaints. See list on next page.

Selecting the Right Mold Remediation Contractor

When selecting a mold remediation contractor, the most important criteria to look for, in addition to their professional expertise, is their ability to communicate with you about the observable conditions, and to review alternative potential protocols and solutions with you. Make sure remediation vendors submit a certificate of insurance naming JSco, the property and the property owner as additionally insured. See list on next page.

Communicate With Residents

- ☐ Establish that health and safety of building residents are top priorities.
- ☐ Demonstrate that occupants' concerns are understood and taken seriously.
- ☐ Present clearly the current status of investigation or remediation efforts.
- ☐ Accommodate residents with asthma, allergies, compromised immune systems, & other health concerns.
- ☐ Identify the property manager as the informational contact.

Investigate & Document

Investigate and document every major water intrusion incident and mold contamination occurrence on the **Mold + Moisture Incident Investigation Form** (attached).

A major water intrusion or mold occurrence must include at least one of the following:



- ☐ Larger than 10 square feet (1 square meter)
- ☐ Black water (sewage)
- ☐ Remediation contractor or environmental consultant
- ☐ Resident complaints about mold
- ☐ Residents with known allergies, asthma, respiratory conditions or weakened immune systems
- ☐ Occupant relocation
- ☐ Photo document each incident and attach to the investigation form.
- ☐ Keep the original completed incident investigation form in a Mold & Moisture Control file in the site office.
- ☐ Keep a copy in the resident file and send another copy to your regional manager.

If an employee illness or injury occurs as a result of mold contamination or mold remediation, then complete the **Injury and Illness Investigation Form** and the **Cal / OSHA Log 300**.



Call an Environmental Professional

Environmental Consultants

Environmental consulting firms can help you determine how to proceed with remediation, determine if testing is necessary, and recommend appropriate remediation contractors.

PSI (Professional Service Industries)

San Francisco Bay Area

4703 Tidewater Ave., Suite B

Oakland, CA 94601

510-434-9200

510-434-7676 fax

Robert W. White, District Manager

<http://www.psiusa.com>

Service Areas:

SF Bay Area, Sacramento, Santa Cruz

Southern California

Los Angeles Branch Office

San Diego Branch Office

Contact via SF Bay Area

510-434-9200

Service Areas:

Los Angeles & San Diego

Emergency and Remediation Contractors

Mold remediation & restoration contractors provide emergency response to water damage and mold contamination incidents. They remove water damaged materials, mold contamination, dry wet areas, replace finishes and restore the area to a habitable condition. In addition they can provide cleanup services for water & sewage, fire & smoke, asbestos, and even trauma scene services. Remediation contractors are required to submit a certificate of insurance naming The John Stewart Company and the subject property as additionally insured.

Southwest Hazard

712 Whitney Street, San Leandro, CA 94577

Ph 510-352-5152 / 800-326-8558 toll free

Michael Hegarty, Division Manager

Email California@sw haz.com

Website www.sw haz.com

Service Areas: Northern California

PAS Performance Abatement Services

999 Canal Boulevard, Ste. B, Richmond, CA 94804

Ph 510-621-0438 / Fx 510-236-0833

Todd Forbush, Area Manager, 510-236-0300

Chris Alonzo, 510-774-4249

Email todd.forbush@pcg.com

Website www.pasmoldssolutions.com

Service Areas: Statewide

Restoration Management Company

535 Getty Court, Suite A

Benicia, CA 94510

Ph 510-377-1855 / Fx 510-315-5496

800-400-5058, immediate assistance

Patricia Derouen, Account Manager

Email: pderouen@restorationmanagement.com

Website: www.restorationmanagement.com

Service Areas: Statewide

ERI Environmental Remedies, Inc.

3490 Union St., Unit C, Fremont, CA 94538

Ph 888-710-2414 / Fx 510-651-2646

Jeffrey Hidalgo, 510-651-2767 / 510-519-8953

Email jh.eri@sbcglobal.net

Website www.environmentalremediesinc.com

Service Areas: Bay Area / Northern California



Sources & Resources

- *A Brief Guide to Mold in the Workplace*, U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), <http://www.osha.gov/dts/shib/shib101003.html>
- *A Brief Guide to Mold, Moisture and Your Home*, U.S. Environmental Protection Agency, May 2002, <http://www.epa.gov/mold/moldguide.html>
- American Industrial Hygiene Association: <http://www.aiha.org/Content/AccessInfo/consumer/factsaboutmold.htm>
- *Guidelines for the Protection and Training of Workers Engaged in Maintenance and Remediation Work Associated with Mold*, The National Clearinghouse for Worker Safety and Health Training, May 2005
- *Guidelines on Assessment and Remediation of Fungi in Indoor Environments*, New York City Department of Health, Bureau of Environmental & Occupational Disease Epidemiology, 1993, <http://www.nyc.gov/html/doh/html/epi/moldrpt1.shtml>
- Institute of Inspection, Cleaning and Restoration Certification (IICRC), <http://www.certifiedcleaners.org/>
- *Mold & Fungi – Safety and Health Topics*, U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), <http://www.osha.gov/SLTC/molds/>
- *Mold in My Home: What Do I Do?* California Department of Health Services, 1998
- *Mold Remediation in Schools and Commercial Buildings*, U.S. Environmental Protection Agency, March 2001
- *Mold Resources*, U.S. Environmental Protection Agency (EPA), <http://www.epa.gov/mold/moldresources.html>
- *OSHA Fact Sheet*, U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), <http://www.osha.gov/OshDoc/data/HurricaneFacts/Bulletin3.pdf>





Mold + Moisture Incident Investigation Form

Use this form for all *major* mold and moisture incidents that occur in the work place.
Complete each question, if it does not apply, state "Not Applicable" as the answer.

Property: _____ Regional Office: _____

Person Completing Form: _____ Title: _____

Date of Report: _____ Date and Time of incident: _____

of Hours to Report: _____ If incident or mold occurrence was not reported immediately, why not?

☐ Water/Moisture incident

☐ Sewer backup (black water) ☐ Sink/tub overflow (grey water) ☐ Plumbing leak ☐ Roof leak ☐ Other

☐ Mold ☐ Less than 10 sq. ft. ☐ More than 10 sq. ft. (1 sq. meter)

Address/ location of incident/ occurrence: _____

Description (what happened, where, area affected, size of moldy area): _____

Was corrective action taken quickly (within 24 - 48 hours)? ☐ Yes ☐ No

What corrective actions were taken? _____

Did maintenance staff perform the clean-up? _____

Were N95 masks, gloves and goggles used? _____

Was a remediation contractor contacted? _____

Company name and phone? _____

Was an environmental consultant contacted? _____

Company name and phone? _____

Were photographs taken and attached to this form as additional documentation? _____

Complete this form, file original in *Mold + Moisture Control Program* file, keep one copy in the appropriate resident file and submit one copy to your regional manager



Mold Control for Residents

Resident Handout

- ☐ Report all plumbing leaks and moisture problems immediately to Management.
- ☐ Call Management if you think you have mold in your apartment.
- ☐ To prevent and control mold, follow these simple rules:

Good Air Circulation

- ☐ **1-INCH RULE:** Leave 1-inch between furniture and walls so air can circulate.
- ☐ **VENT IT:** Always use your bath fan and range hood fan for adequate venting.
- ☐ **FILTER IT:** Change furnace filters regularly.
- ☐ **BREATH FREE:** Use breathable window coverings (no plastic).
- ☐ **OPEN AIR:** Open windows for fresh breezes.



Dry, Dry, Dry

- ☐ **SURFACES:** Keep surfaces dry—mold needs moisture to grow.
- ☐ **FURNITURE:** Keep furniture, shelves & belongings away from walls.
- ☐ **AIR IT OUT:** Clean and dry any wet areas immediately.
- ☐ **FAN IT AWAY:** Use vent fans to remove humidity and moisture.



Lots of Light

- ☐ **OUT OF THE DARK:** Mold prefers dark, damp areas.
- ☐ **LET THE SUN SHINE IN:** Sunlight dries up mold's habitat.



Keep It Clean

- ☐ **DIRT:** Mold takes hold in dirty places and grows on soiled and greasy surfaces.
- ☐ **CLEAN IT:** Use sponges, vacuums and brooms to keep mold from your rooms.
- ☐ **DISINFECT IT:** Wash down shower stalls, kitchen and bedroom walls.
- ☐ **TRACK ATTACK:** Keep the dirt from window tracks and mold may not be back.





Guidelines for Response to Clean Water Damage Within 24-48 Hours to Prevent Mold Growth*

Table 1 presents strategies to respond to water damage within 24-48 hours. These guidelines are designed to help avoid the need for remediation of mold growth by taking quick action before growth starts. Depending on the size of the area involved and resources available, professional assistance may be needed to dry an area quickly and thoroughly. If more than a minor amount of mold growth is found on the materials listed in Table 1, contact a professional remediation contractor.

Table 1: Water Damage - Cleanup and Mold Prevention

Water-Damaged Material†	Actions
Books and papers	<ul style="list-style-type: none">• For non-valuable items, discard books and papers.• Photocopy valuable/important items, discard originals.• Freeze (in frost-free freezer or meat locker) or freeze-dry.
Carpet and backing - dry within 24-48 hours	<ul style="list-style-type: none">• Remove water with water extraction vacuum.• Reduce ambient humidity levels with dehumidifier.• Accelerate drying process with fans.
Ceiling tiles	<ul style="list-style-type: none">• Discard and replace.
Cellulose insulation	<ul style="list-style-type: none">• Discard and replace.
Concrete or cinder block surfaces	<ul style="list-style-type: none">• Remove water with water extraction vacuum.• Accelerate drying process with dehumidifiers, fans, and/or heaters.
Fiberglass insulation	<ul style="list-style-type: none">• Discard and replace.
Hard surface, porous flooring§ (Linoleum, ceramic tile, vinyl)	<ul style="list-style-type: none">• Vacuum or damp wipe with water and mild detergent and allow to dry; scrub if necessary.• Check to make sure underflooring is dry; dry underflooring if necessary.
Non-porous, hard surfaces (Plastics, metals)	<ul style="list-style-type: none">• Vacuum or damp wipe with water and mild detergent and allow to dry; scrub if necessary.
Upholstered furniture	<ul style="list-style-type: none">• Remove water with water extraction vacuum.• Accelerate drying process with dehumidifiers, fans, and/or heaters.• May be difficult to completely dry within 48 hours. If the piece is valuable, you may wish to consult a restoration/water damage professional who



Mold + Moisture Control

Last Updated 12/12/12

	specializes in furniture.
Wallboard (Drywall and gypsum board)	<ul style="list-style-type: none">• May be dried in place if there is no obvious swelling and the seams are intact. If not, remove, discard, and replace.• Ventilate the wall cavity, if possible.
Window drapes	<ul style="list-style-type: none">• Follow laundering or cleaning instructions recommended by the manufacturer.
Wood surfaces	<ul style="list-style-type: none">• Remove moisture immediately and use dehumidifiers, gentle heat, and fans for drying. (Use caution when applying heat to hardwood floors.)• Treated or finished wood surfaces may be cleaned with mild detergent and clean water and allowed to dry.• Wet paneling should be pried away from wall for drying.
<p>* If mold growth has occurred or materials have been wet for more than 48 hours, contact a professional remediation contractor. Even if materials are dried within 48 hours, mold growth may have occurred. Items may be tested by professionals if there is doubt. Note that mold growth will not always occur after 48 hours; this is only a guideline.</p> <p><u>These guidelines are for damage caused by clean water. If you know or suspect that the water source is contaminated with sewage, or chemical or biological pollutants, then Personal Protective Equipment and containment are required by OSHA. An experienced professional should be consulted if you and/or your remediators do not have expertise remediating in contaminated water situations. Do not use fans before determining that the water is clean or sanitary.</u></p> <p>† If a particular item(s) has high monetary or sentimental value, you may wish to consult a restoration/water damage specialist.</p> <p>§ The subfloor under the carpet or other flooring material must also be cleaned and dried. See the appropriate section of this table for recommended actions depending on the composition of the subfloor.</p>	

May 2, 2014

All Residents
[REDACTED]

San Francisco, CA 94130

Dear Treasure Island Household:

Enclosed please find your household's 90 day notice which terminates your current tenancy and offers your household a lease for another unit on Treasure Island.

The Villages at Treasure Island (The Villages) in conjunction with Treasure Island Development Authority (TIDA) has been working with you in preparation of this notice. This notice is the result of an ongoing process which includes community meetings, a unit select program and the issuance of this notice.

The enclosed notice affects Pre- and Post-DDA households of building 1133, 1205, 1237 and 1325.

For Pre-DDA and Post-DDA households, We conducted a unit selection program that provided you the opportunity to select a new unit on Treasure Island. Please contact the Villages office to review that process and make arrangements for your move.

If you have chosen to not relocate on Treasure Island, please contact Jessica Garliepp of Paragon Partners at 866-934-9997 to discuss available options to you.

Should you have questions, please contact Dan Stone at 415-834-0211 or Bob Beck, Treasure Island Director at bob.beck@sfgov.org.

Sincerely,

Dan Stone
Property Manager

Cc: Mirian Sacz, Director of Island Operations, TIDA
Bob Beck, Director, TIDA
Linda Richardson, TIDA Board President

90 DAY NOTICE OF TERMINATION OF TENANCY AT SPECIFIED
PREMISES (WITH RELOCATION RIGHT TO A DIFFERENT UNIT ON TREASURE ISLAND)

Date: May 2, 2014

TO: [REDACTED]
[REDACTED]

and all other occupants claiming a right to possession.

TO ALL TENANTS AND OCCUPANTS IN POSSESSION OF THE PREMISES LOCATED AT: 1133-H Mason Ct., Treasure Island, San Francisco, California 94130, San Francisco County, together with any common, storage or garage area, hereafter the "premises".

The Navy has exercised its right under the Master Lease between the Navy and the Treasure Island Development Authority ("TIDA") dated as of March 17, 1999 to terminate and take back the building in which the premises are located. Accordingly TIDA has terminated its Sublease with the John Stewart Company dated as of March 19, 1999, as amended, with respect to the premises.

PLEASE TAKE NOTICE that your tenancy at the premises is terminated effective at the end of a ninety (90) day period after service on you of this Notice, or on August 5, 2014, whichever is later (the "Outside Date"). This Notice is intended as a legal notice for the purpose of terminating your tenancy at this address in accordance with California Civil Code Section 1946.1.

In conjunction with this 90 Day Notice, The Villages is offering to relocate the tenant household to a comparable unit on Treasure Island in accordance with the selection process that you went through in January 2014. If you choose to relocate to the offered unit on Treasure Island, your lease will not change other than the location of the property set forth in Paragraph II titled "Description". If you are a Pre-DDA tenant (as defined in the Transition Housing Rules and Regulations adopted by TIDA, commonly referred to as the "THRRs"), your move to this unit on Treasure Island will not change your status as a Pre-DDA Tenant. If you are a Post-DDA tenant, this notice does not change your status as a Post-DDA tenant. Tenants that move to the offered unit on Treasure Island on or before the Outside Date will not lose their seniority or status under the THRRs as a result of this relocation.

In compliance with the 90 Day Notice, you must vacate the premises and remove all of your personal property on or before the Outside Date.

If you fail to quit and deliver possession of the premises by the Outside Date, legal proceedings will be instituted against you to obtain possession and such proceedings could result in a judgment against you which may include attorney fees and court costs as allowed by law. This legal action will also result in forfeiture of the rental agreement. Your failure to move will also result in you no longer being a tenant in good standing and will affect your rights under the THRRs.

This Notice does not relieve you of payment of any financial obligation under the lease until the actual date of departure. The security deposit may not be used to pay for the last month's rent. If you fail to fulfill your credit obligations, a negative credit report may be submitted to a credit reporting agency.

You have the right to request an initial inspection of the premises and to be present during that inspection, which shall occur no earlier than two weeks before the termination/relocation and during normal business hours. At this initial inspection, The Villages will provide an itemized statement specifying repairs or cleaning that are proposed to be the basis for any deductions from the security deposit. This may not be a final accounting of deductions from the security deposit.

State law permits former tenants to reclaim personal abandoned property left at the former address of the tenant, subject to certain conditions. You may or may not be able to reclaim any such property without incurring additional costs, depending on the costs of storing the property and the length of time before it is reclaimed. In general, these costs will be lower the sooner you contact your former landlord after being notified that property belonging to you was left behind after you moved out.

If you have any questions about this notice, please contact me at the address set forth below.

By: _____
Dan Stone, Property Manager
The Villages at Treasure Island
One Avenue of the Palms, Suite 168
San Francisco, CA 94130

April 2014 Treasure Island Crime Statistics
 Provided by Sgt. John Conway #453
 on behalf of Captain Redmond, Southern Station



Occ. Date	Case #	Location	Incident Type	Comments
1-Apr-14	140270525	Hutchins Ct	Aggravated assault	Officers responded to report of an aggravated assault, found that (V1) had been assaulted by (S), when (V) attempted to intervene in an argument between (S) and (V2).
2-Apr-14	140275804	North Point / Gateview	Warrant Arrest	Officers responded to area regarding a report of people fighting. Officers found the involved parties, and a record check showed one of the parties had an outstanding warrant.
5-Apr-14	140282633	401 California Ave	Theft from Locked Vehicle	(V) parked her vehicle and left her purse inside while eating at the Oasis restaurant. Upon return, (V) found that an unknown suspect had smashed her window and stolen her purse.
5-Apr-14	140284128	1 Ave of the Palms	Malicious Mischief to vehicle	(V) parked vehicle, returned several hour later and found that (S) unknown had broken the window to his vehicle. (V) said that nothing was missing from vehicle.
5-Apr-14	140284407	401 California Ave	Theft from Locked Vehicle	(V) left purse, cell phone and watch in locked vehicle. (V) left and returned several hours later and found (S) unknown had broken her window and stole the items left in car.
6-Apr-14	140285201	1233 Northpoint Dr	Found Property	(R) called the police and reported that he found a purse and backpacks in front of 122 Northpoint. The Purse apparently belonged to (V) in SFPD# 140284128
8-Apr-14	140290727	751 6th St	Burglary, forcible entry	Officers were on routine patrol, and noticed that building 260 had a broken window. Officers investigated and found that (S) unknown had tagged the inside of the building with graffiti. Unknown if anything stolen.
9-Apr-14	140296377	51 California Ave	Trespass/Malicious Mischief	Officers were on patrol, and were flagged down by (W), who saw (S) crawl into a church through broken windows. Officers took (S) into custody, and found that additional items had been damaged in the church.
9-Apr-14	140296684	Confidential	Domestic Violence	Officers responded to call of domestic violence. Officers found that (S) assaulted (V).
9-Apr-14	140297416	265 Ave B	Vandalism	(R) reported that he found windows broken. (R) believed that the incident may be related to SFPD #140296377, where a person was arrested
10-Apr-14	140297494	Sturgeon Ct	Runaway / Found person	(R) reported that her child had run away, and had boarded the bus to SF. Officers coordinated response to SF and found child walking near where bus had dropped off child.
10-Apr-14	140297438	1 Ave of the Palms	Vandalism	(R) found a building that he believed was damaged by the same suspect arrested in SFPD #140296377.

April 2014 Treasure Island Crime Statistics
 Provided by Sgt. John Conway #453
 on behalf of Captain Redmond, Southern Station

11-Apr-14	140302112	Gateview / Ave H	Traffic Violation	Officer saw vehicle fail to stop at a stop sign, conducted traffic stop and found that the driver had no license
12-Apr-14	140304500	Confidential	Domestic Violence	Officers responded to call of a fight, upon arrival, one party was gone. Several hours later officers responded to same location, found (V), who had been cut with a knife. (V) stated that (S) came at him with a knife, cut him on the back of the neck.
12-Apr-14	140304920	950 Ave N	Malicious Mischief	Officers stopped (S1) and (S2), and (S2) had a hammer in his possession, and found they had damaged several location at the back of the building.
13-Apr-14	140258775	Confidential	Aided Case	Officers responded to a call of vandalism, and found a subject suffering from altered mental status. Subject was transported to SFGH for evaluation and treatment.
13-Apr-14	140307352	1114 Hutchins Ct	Residential Burglary	(V) left residence for approximately 25 minutes. Upon return, living room window was found open and (V) said his laptop computer was missing. (S) is unknown.
14-Apr-14	140309378	200 California Ave	Identity Theft	While working at a bridal shower at the Winery, (V) left her purse in an unsecure room. She later found her wallet and credit card stolen. Several of the were used at various gas stations. (S) is unknown.
16-Apr-14	140317412	Parking Lot, Macalla Ct	Hit & Run Traffic Collision	A white pick-up truck was observed collided with parked BMW. Driver of truck walked away and did not report the collision. Investigation continuing.
18-Apr-14	140322518	Avenue N & 8th Street	Traffic Collision	Driver was being taught to drive by a friend. While backing up, driver crashed into a fence.
21-Apr-14	140331666	1221 Mariner Dr	Suspicious Occurrence	(RP) purchased electronics online from "ownyourownmodem.com" but received questionable merchandise. Following the purchase he received a suspicious telephone call regarding unauthorized credit card activity. The (RP) willingly provided the caller with his actual credit card info and later learned it was probably a scam. He cancelled this card and contacted police.
21-Apr-14	140331973	1116 Hutchins Ct	Theft	(V) discovered her washer and dryer had been stolen from a locked storage shed by unknown (S)'s. The theft occurred between 3-9-14 and 3-12-14.
22-Apr-14	140333543	1 Ave of the Palms	Auto Burglary	(V) left her vehicle overnight. When she return found window smashed and purse stolen.
29-Apr-14	140356147	1308 Gateview Ave	Mental Health Detention	Officers responded to call of suicidal person. Caller voluntarily requested medical health and they were transported to SFGH for treatment.
30-Apr-14	140358488	849 4th Street	Auto Burglary	(V) parked her vehicle for 2 hours. When she returned, the window was smashed and her purse missing. No (S) information.
10-Apr-14	140358535	849 4th Street	Auto Burglary	2nd call of an auto burglary at this location. (V) found window smashed and backpack containing laptop computer stolen. No (S) information.

April 2014 Treasure Island Crime Statistics
 Provided by Sgt. John Conway #453
 on behalf of Captain Redmond, Southern Station

30-Apr-14	140358579	849 4th Street	Auto Burglary	3rd call of an auto burglary. (V) found passenger door open and backpack missing. (V) stated her passenger door lock did not work and the vehicle was unlocked.
30-Apr-14	140358591	849 4th Street	Auto Burglary	4th call of an auto burglary. (V) found window smashed and backpack stolen. Backpack contained ipad and camera equipment. No (S) information
30-Apr-14	140358626	849 4th Street	Auto Burglary	5th call of an auto burglary. (V) found his window smashed but no property missing. Occurred between 4:30pm and 7:00pm.

LEGEND: (V) = Victim (S) = Suspect (J) = Juvenile (R) = Reportee



TI01 - TI Case Summary

Open

CASE ID	OPEN DT	CATEGORY	TYPE	LOCATION	OTHER DESCRIPTION	AGENCY
2825033	9/13/2013 2:37:10 PM	General Requests	dpw - bees - complaint	Intersection of CHINOOK CT and	Chinook (treasure island) --- The street cleaner came but did not do the street the customer lives. Customer said this happens very often. It looks really bad. We did not use 'missed route' service request because technically cleaner was there, just did not clean.	DPW BSES
3084128	11/20/2013 8:56:59 AM	Street Defects	Pavement_Defect	Intersection of TREASURE ISLAND		DPW BSSR
3128730	12/4/2013 3:27:03 AM	Streetslights	Streetlight - Light Burnt Out	1408 STURGEON ST, SAN FRANCISCO, CA, 94130	Light out	PUC Power
3128734	12/4/2013 4:00:36 AM	Sign Repair	Sign - Missing	Intersection of EXPOSITION DR and GATEVIEW AVE	Missing Signage	SSD - Field Operations
3128735	12/4/2013 4:05:54 AM	Sign Repair	Sign - Missing	Intersection of 13TH TI ST and EXPOSITION DR	Pole Number 3 A 40	SSD - Field Operations
3211289	12/28/2013 11:25:05 PM	Streetslights	Streetlight - Light Burnt Out	Intersection of 13TH TI ST and AVENUE H	No power to light. Danger to public	PUC Power
3355275	2/10/2014 3:32:52 PM	Streetslights	Streetlight - Light Burnt Out	Intersection of MACALLA RD and YERBA BUENA RD	1303 Gateview ave --- strange device attached to the light pole	PUC Power
3361281	2/12/2014 12:50:40 PM	Streetslights	Streetlight - Light On all the time	1303 GATEVIEW AVE, SAN FRANCISCO, CA, 94130		PUC Power
3418782	3/3/2014 11:52:33 AM	Streetslights	Streetlight - Light Burnt Out	1401 STURGEON ST, SAN FRANCISCO, CA, 94130	1401 Sturgeon ---	PUC Power
3508038	3/31/2014 4:19:28 PM	General Requests	Light - tida - request_for_service	Intersection of AVENUE H and GATEVIEW AVE	Ave H and Gateview --- Please add a street name sign. Per DPT this request should come to you.	TIDA
3564381	4/18/2014 10:43:19 AM	Street Defects	Pavement_Defect	Intersection of MACALLA RD and		DPW BSSR
3502878	5/1/2014 11:58:37 AM	MUNI Feedback	MUNI - Services_Service_Delivery_Facilities	Intersection of GATEVIEW AVE and NORTHPOINT DR		FTT - Muni Customer Service
3610396	5/4/2014 8:03:08 AM	MUNI Feedback	MUNI - Conduct_Inattentiveness_N	Intersection of MACALLA RD and TREASURE ISLAND RD		FTT - Muni Customer Service

Closed

CASE ID	OPEN DT	CATEGORY	TYPE	LOCATION	OTHER DESCRIPTION	AGENCY
3549062	4/14/2014 10:07:14 AM	Streetslights	Streetlight - Light On all the time	Intersection of I-80 W ON RAMP and MACALLA RD	YBI - mcalla rd / north gate. Light is OAT.	PUC Power
3562632	4/17/2014 4:55:39 PM	Streetslights	Streetlight - Light Burnt Out	300 NIMITZ DR, SAN FRANCISCO, CA, 94130	Street light OUT In front of 300 Nimitz. YBI ---	PUC Power



San Francisco Department of Public Health

Treasure Island Nurse Intervention Clinic

at

Treasure Island Gymnasium
749 9th Street, Treasure Island

Open every Wednesday and Friday from 2P to 6P

Beginning Wednesday April 23rd!



Services To Include:

- Tb testing; Flu, Tdap vaccines
- Education
- On-site, face-to-face consultations and advice
- More

"On the Spot" Treatments for:

- Common Cold
- Aches and Pains
- Viral Infections
- Asthma & Allergies
- Rashes/Lice/Athletes Foot
- More

Offering urgent but common low-acuity treatments, preventative care, advice, referrals, linkages to primary care and more!

No insurance or co-pays necessary. No appointments necessary.

ALL FREE OF CHARGE TO ISLAND RESIDENTS!

THE JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION

OFFICIAL PUBLICATION OF THE AMERICAN MEDICAL ASSOCIATION
535 N. Dearborn Ave., Chicago, Ill., U.S.A.
Subscription price, Five Dollars Per Annum in Advance

Published by the American Medical Association, 535 N. Dearborn Ave., Chicago, Ill., U.S.A.
Subscription price, Five Dollars Per Annum in Advance
Entered as Second-Class Matter, May 2, 1917, Post Office at Chicago, Ill., under No. 384,391.
Acceptance for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 10, 1918.
Postage paid at Chicago, Ill.



Published by the American Medical Association, 535 N. Dearborn Ave., Chicago, Ill., U.S.A.
Subscription price, Five Dollars Per Annum in Advance
Entered as Second-Class Matter, May 2, 1917, Post Office at Chicago, Ill., under No. 384,391.
Acceptance for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 10, 1918.
Postage paid at Chicago, Ill.

Departamento de Salud Pública de San Francisco

Treasure Island Nurse Intervention Clinic

En

Treasure Island Gymnasium
749 9th Street, Treasure Island

Abierto todos los miércoles y viernes de 2 a 6 pm



Incluyen los siguientes servicios:

- Pruebas de TB; vacunas Tdap y gripe
- Charlas
- Consultas y asesoramiento in-situ
- Otros más

Tratamientos inmediatos para:

- Resfriado común
- Molestias y dolores
- Infecciones virales
- Asma y alergias
- Erupciones / piojos / pie de atleta
- Otros más

La clínica ofrece tratamientos no serios pero urgentes y comunes, cuidado preventivo, asesoramiento, referencias, colaboración con la atención primaria y ¡mucho más!

No es necesario tener seguro o efectuar co-pagos ni tampoco obtener previa cita.

¡GRATIS PARA LOS RESIDENTES DE ISLAND!

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE



THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

THE FUTURE OF THE FUTURE

舊金山公共衛生部

寶藏島

護理介入型診所

地址：

寶藏島體育館

寶藏島第9街749號

營業時間：每週三及週五下午兩點至傍晚六點



服務項目涵蓋：

- 肺結核篩檢、流感、破傷風-白喉-百日咳 (Tdap) 混合疫苗
- 衛教
- 診所現場諮詢暨建議
- 其他項目

「對症」治療對象：

- 一般感冒
- 疼痛
- 病毒感染症
- 氣喘暨過敏
- 皮疹／蝨／香港腳
- 其他病症

另外，提供緊急、常見的非重大治療、疫病防治、建議、初期醫護服務的轉介和連結，以及其他服務！

無需自購保險或承擔自付款，無需約診。

該島居民一律免費！



CITY AND COUNTY OF SAN FRANCISCO



DENNIS J. HERRERA
City Attorney

OFFICE OF THE CITY ATTORNEY

ALICIA CABRERA
Deputy City Attorney

DIRECT DIAL: (415) 554-4673
E-MAIL: alicia.cabrera@sfgov.org

Jeffrey Kline
1221-C Mariner Dr.
San Francisco, CA 94130

April 9, 2014

Re: Response to Jeffrey Kline letter dated March 6, 2014
Parking Agreement

Dear Mr. Kline:

The Executive Director of the Treasure Island Development Authority ("TIDA") has asked that we respond to your letter to John Stewart Company ("JSCO") dated March 6, 2014. Your letter questions JSCO's ability to adopt regulations creating a permitting scheme for the residential areas under its control pursuant to its sublease with TIDA. You also question JSCO's ability to amend these regulations and require Treasure Island ("TI") residents to obtain a parking permit. We confirm that JSCO has the ability to adopt and amend regulations including the establishment of a permit regime governing parking in the areas that it has subleased from TIDA.

In your letter you dispute whether JSCO has the authority to remove vehicles under California Vehicle Code 22658 because the Villages as well as the parking areas associated with it are not private property. California Vehicle Code 22658 allows "the owner or person in lawful possession of private property," under certain circumstances, to remove vehicles. As you are aware, TIDA leases most of TI from the Navy, and in turn subleases various areas of TI including the residential area that it has subleased to JSCO. The JSCO sublease, makes JSCO responsible for the operation, maintenance and management of the Villages, including the parking areas. While a public entity (the Navy) owns Treasure Island, the Villages and its associated parking areas are not "public property" under California Vehicle Code 22658 because they are privately leased and not open to the general public. TIDA is operating in its proprietary capacity in executing the sublease with JSCO (See *Bogacki v. Board of Supervisors*, 5 Cal.3d 771, 799 (1971), *Chafor et. al v. City of Long Beach*, 174 Cal. 478, 483-484 (1917)). That sublease requires JSCO to sublease the residential units and manage parking areas for the benefit of the residents – not the general public. JSCO's sublease with TIDA contemplates that it will create parking rules and regulations for the parking areas associated with the Villages. Accordingly, JSCO is operating the Villages as private property and California Vehicle Code 22658 applies to these parking areas.

Additionally, under the JSCO residential leases and the attached House Rules addendum, all residents agree to comply with the House Rules. House Rules item 7 requires all residents owning vehicles that will be parked on the TI to enter into a parking agreement with JSCO and House Rules item 6 requires tenants to comply with the parking agreement. Under House Rules

CITY AND COUNTY OF SAN FRANCISCO

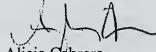
OFFICE OF THE CITY ATTORNEY

Letter to Jeffrey Kline
Page 2
April 9, 2014

Item 23, JSCO may amend the regulations with 30 day notice. We hope this addresses your issues and concerns.

Very truly yours,

DENNIS J. HERRERA
City Attorney



Alicia Cabrera
Deputy City Attorney

cc: Mirian Saez, Director of Island Operations

From: Jeff Kline <kline.jb@gmail.com>
To: Charles.Sullivan@sfgov.org,
Cc: "bob.beck@sfgov.org" <bob.beck@sfgov.org>, "Saez, Mirian" <Mirian.Saez@sfgov.org>, john.cummins@navy.mil, "Forman, Keith S CIV NAVFACHQ, BRAC PMO" <keith.s.forman@navy.mil>, Jeff Kohler <jkohler@isco.net>, City Administrator Naomi Kelly <Naomi.Kelly@sfgov.org>, cityattomey@sfgov.org, "Jane.Kim@sfgov.org" <Jane.Kim@sfgov.org>, "lamonte.bishop@sen.ca.gov" <lamonte.bishop@sen.ca.gov>, Marisa Lagos <mlagos@schronicle.com>, "Wagner, Elizabeth (NBCUniversal)" <Elizabeth.Wagner@nbcuni.com>, Saul Bloom <saulbloom@arceology.org>, kmieszowski@cironline.org, Matt Smith <msmith@cironline.org>, Dan Stone <dstone@isco.net>
Date: 04/22/2014 11:25 AM
Subject: All displaced Villages tenants eligible for Federal URA assistance and benefits

Dear Mr. Sullivan--

A copy of my letter, dated April 21, 2014, which is in rebuttal to your march 28 letter, is attached to this email, along with copies of several key documents, and you may expect my letter by post later this week.

Thank you for your attention.

Jeff Kline[attachment "Sullivan rebuttal April 21 2014.PDF" deleted by Charles Sullivan/CTYATT] [attachment "2006 URA Notice from Villages.pdf" deleted by Charles Sullivan/CTYATT] [attachment "1999 W&R.PDF" deleted by Charles Sullivan/CTYATT] [attachment "Housing Lease btwn USA and TIDA Section 4 Use.PDF" deleted by Charles Sullivan/CTYATT] [attachment "Section 14 Termination Housing Lease btwn USA and TIDA.PDF" deleted by Charles Sullivan/CTYATT]

Jeffrey B. Kline
1221-C Mariner Drive
San Francisco, CA 94130

April 21, 2014

Charles Sullivan
Deputy City Attorney
Office of the City Attorney, City Hall
1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, California 94102

Re: Your response to my letter to TIDA Director Beck, dated March 20, 2014, on the Subject:
All displaced Villages tenants eligible for Federal URA assistance and benefits

Dear Mr. Sullivan:

Thank you for your letter of March 28. My prior letters were intended to elicit a defense of the acts of the Treasure Island Development Authority (TIDA), acting as an agency of the City and County of San Francisco, in regards to tenant relocation rights on former Naval Station Treasure Island (NSTI), and specifically, for the Waiver & Release (W&R) of rights to relocation assistance or benefits under the Uniform Relocation Act (URA) [1], attached to the Original Residential Lease from 1999. However, your letter continues a pattern of attempting to ignore the problematic W&R, which in and of itself, constitutes, *prima facie*, a statutory violation of relocation law.

True identity of "the project" renders "acquisition" controversy moot

Your letter repeated TIDA's claim that tenants of the Villages on Treasure Island "are not considered displaced persons under the Act", but you are mistaken in your understanding of the law: the key issue in this case is not the Uniform Act's definition of "acquisition", but rather the identity and meaning of "for the project".

Before I turn to the problematic W&R, I will address the legal theory implied by your letter: that, for the purposes of Federal relocation law, the Master Housing Lease is a conveyance which satisfied the definition of "acquisition", rendering tenants of the Villages "persons not displaced". Your argument seems to be that tenants are excepted by 49CFR24, Section 24.2 paragraph (a)(9)(ii) *Persons not displaced*:

(B) A person who initially enters into occupancy of the property after the date of its acquisition for the project;

However, your theory is moot since the project in question— and the actual cause for the present displacement of 24 households— is the Navy Remediation Project, and acquisition is not at issue.

[1] Title 49, Code of Federal Regulations, Part 24 (49CFR24) implements the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. 4601 et seq., (the Uniform Act, also known as the Uniform Relocation Act or URA)

Theory of "acquisition" not supported by language of the actual lease in question

Nevertheless, I will address your implied argument, since it is pertinent to my argument that "DDA" status of tenants should have no bearing on our Federal relocation rights. I would first point out that your argument was merely hypothetical, since you failed to show that the lease in question contained any such language that would allow the lease to serve as an instrument of conveyance, or, in fact, to give any evidence at all to support your theory.

I have reviewed a copy of the "Lease between the USA and TIDA for Treasure Island Housing, Naval Station Treasure Island", contract # N6247499RP00B05, also known as the Master Housing Lease (and confusingly referred to— by TIDA— as the John Stewart Master Housing Lease), which includes both TIHDI and market rate units. There is no other lease for Villages or TIHDI housing on former NSTI.

My reading of the Master Housing Lease does not support your argument, that for the purposes of the Uniform Act, the lease is a "conveyance" that satisfies the specific definition of "acquisition" under the Act. To the contrary, Section 4. Use of the Premises, states that the permitted residential use "does not constitute a commitment by the Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any Sublessee". In addition, Section 14. Termination: Part 14.1.3, defines "conveyance" as a condition for termination of the Lease, which further contradicts your contention that the Lease itself is truly a "conveyance".

All permitted housing on former NSTI was provided by a Federal program to assist the homeless

You again mistakenly confused one Federal project with another when you claimed that "these [market-rate] units would not be on the market but for the project and TIDA's acquisition of the property for the project [i.e., the TI Project]." Contrary to your mis-characterization of how the Villages came to exist, nearly 700 existing Navy housing units were rehabilitated under a Federal project to assist the homeless, at a cost of roughly one years gross rents from the portfolio of units.

The Federal project in question is the Homeless Assistance Agreement with the USA under the Base Closure Community Redevelopment and Homeless Assistance Act of 1994. As you should be aware, in 1994 the City elected to be governed by a process prescribed in the Homeless Assistance Act.

The Agreement was consequent to the Homeless Assistance Submission, which was prepared by the Treasure Island Homeless Development Initiative (TIHDI) and the City in 1996. That specific plan was approved by the Board of Supervisors in July, and by the US Department of Housing and Urban Development in November, 1996. The TIHDI Agreement included, among other things, reuse of 375 existing housing units. Incidentally, this Agreement was reached more than a year before TIDA was created, so the rehabilitation of housing in Site 12 is part of a Federal project that predates TIDA.

Unfortunately, you and the authors of the W&R have conflated two different projects to support your argument. In the context of the Uniform Act, "acquisition for the project" refers to the actual cause for displacement. In fact, the Federal project which is the direct cause for the present displacement of 24 households in the Villages is the Navy Remediation Project, and not the TI Project.

Deputy City Attorney Sullivan

All displaced Villages tenants eligible for Federal URA assistance and benefits

Proof that this is, in fact, the true situation, was provided by the Villages, in a letter sent to all residents, dated October 13, 2006, Subject: US Navy's Remediation Project. This letter first gave tenants of the Villages Notice of our URA rights.

The Navy Remediation Project does not involve acquisition. Consequently, our rights as "displaced persons" under the Uniform Act in regard to displacement due to remedial relocation or rehabilitation of the housing are not contingent upon resolution of any supposed controversy about the definition of "acquisition", and any such controversy is thus moot.

The W&R remains a statutory violation of the Federal Uniform Relocation Act

Moving on to the W&R, your argument, based on this contrived and artificial controversy about the meaning of the term "acquisition", is immaterial to the charge, made previously and repeated, that the W&R, on its face and by itself, constitutes a statutory violation of the Uniform Act.

From my March 20, 2014 letter to Director Beck:

Since it is clear Federal Regulations apply, I shall repeat the point made in my letter, and repeated in my public comment at the TIDA Board meeting on March 12, 2014 (which point you and Deputy City Attorney Sullivan failed to address), that:

On its face, the W&R is contrary to 49CFR24. Section 24.207(f) No waiver of relocation assistance.

A displacing Agency shall not propose or request that a displaced person waive his or her rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

In case you have not actually looked at the original W&R, I shall quote from it at length. Incidentally, a W&R with this language was attached to the Lease from 1999 until 2007, when it was replaced by a version containing even more objectionable language. Here is the third paragraph:

In addition, Lessee acknowledges that it has received Relocation Information informing Lessee of all of the rights, benefits, and assistance under the California Uniform Relocation Act of 1970 (Government Code Section 7260, et seq.) (the "Act"), to which Lessee may be entitled if the Lessee were a displaced person under the Act, and that Lessee has read and understands the information in that brochure. Lessee also understands that, under the Act, persons who are displaced from property as a result of the Authority's redevelopment of the Base may be entitled to certain benefits and assistance under the Act.

Notwithstanding the above language, at no time during the fifteen years I have tenanted these premises in the Villages have I or my co-tenants ever been provided with any relocation information or brochure (except for the 2006 letter from the Villages Re: Navy Remediation Project, see: above).

While the W&R admits that displaced persons "may be entitled to certain benefits and assistance under the Act", the succeeding paragraph draws the (premature) conclusion that tenants of the Villages "are

All displaced Villages tenants eligible for Federal URA assistance and benefits

not considered displaced persons under the Act", leading the Lessee to believe, by implication, that tenants are therefor not entitled by law to relocation assistance and benefits.

In any case, as one might reasonably expect a lawyer or expert in relocation law to know, drawing such a conclusion based on a hypothetical case has no basis in relocation law, and is not justiciable.

Nevertheless, the W&R goes on to unconscionably insist that the Lessee waive any rights under the URA as a precondition for entering into a Lease for the Premises:

Finally, Lessee, nonetheless, declares that it still wishes to occupy the Premise as a sublessee of the Authority and, therefore, waives and release the Lessor (if it had any obligation), the Authority and the City and County of San Francisco from any and all benefits, rights and assistance, including Relocation payments, to which Lessee may be entitled as a displaced person under the Act, as described above an [sic] such waiver shall apply without regard to the reason that the Lessee Term is terminated, including a termination by the Authority during the Lease Term as a result of the Authority's acquisition of the premises for redevelopment use.

This waiver and release is full and unconditional.

The W&R remains an evident statutory violation of the Uniform Act, which you have yet to address.

At this point your theory of exception due to "acquisition for the project" has been refuted, and since you did not address many of the issues presented in my letter to Director Beck, I shall repeat several relevant passages from that letter in the interest of completeness, and for benefit of readers who may not have read this previously, along with additional instances of non-compliance with the URA.

TIDA must provide Assurances to Navy before displacement of Villages tenants

According to 49CFR24 Section 24.4(a) **Assurances.**(1), as a displacing Agency TIDA must provide assurances to Navy before any displacement of Villages tenants:

Before a Federal Agency may approve any grant to, or contract, or agreement with, a State Agency under which Federal financial assistance will be made available for a project which results in real property acquisition or displacement that is subject to the Uniform Act, the State Agency must provide appropriate assurances that it will comply with the Uniform Act and this part. A displacing Agency's assurances shall be in accordance with section 210 of the Uniform Act.

Section 210 of the Uniform Act (since superceded) provided for the implementation of 42USC Chapter 61 Section 4630. **Requirements for relocation payments and assistance of federally assisted program; assurances of availability of housing:**

Notwithstanding any other law, the head of a Federal agency shall not approve any grant to, or contract or agreement with, a displacing agency (other than a Federal agency), under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after January 2, 1971, unless he receives satisfactory assurances from such displacing agency that—

Deputy City Attorney Sullivan

All displaced Villages tenants eligible for Federal URA assistance and benefits

(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 4622, 4623, and 4624 of this title;

(2) relocation assistance programs offering the services described in section 4625 of this title shall be provided to such displaced persons;

(3) within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with section 4625(c)(3) of this title.

Incidentally, in regard to part (1), Section 4624. *Replacement housing for tenants and certain others*

(a) (2) was amended in 2012 to change the payment to displaced persons from \$5,250 to \$7,200.

Furthermore, according to Section 24.4(b) *Monitoring and corrective action*:

The Federal Agency will monitor compliance with this part, and the State Agency shall take whatever corrective action is necessary to comply with the Uniform Act and this part. The Federal Agency may also apply sanctions in accordance with applicable program regulations.

Obviously, the Navy has failed to "monitor compliance with this part", given that TIDA has not taken "corrective action...necessary to comply with the Uniform Act and this part", specifically, in regards to part (1), since TIDA continues to claim that post-DDA tenants are not entitled to relocation benefits and assistance. Similarly, it appears that both the Navy or TIDA are not in compliance with Section 24.4(c) *Prevention of fraud, waste, and mismanagement.*

Other significant instances of non-compliance with URA law

Instances of non-compliance include not only Sections 24.207(i) *No waiver of relocation assistance*, and 24.4 *Assurances, monitoring and corrective action*, mentioned above, but also Sections 24.202 *Applicability*, and 24.203 *Relocation notices*., and parts of Sections 24.204 *Availability of comparable replacement dwelling before displacement*, and 24.205 *Relocation planning, advisory services, and coordination*, and Sections 24.302 *Fixed payments for moving expenses*, and 24.402 *Replacement housing payment for 90-day occupants*. This is not an exhaustive list: other deficiencies or examples of non-compliance exist, and other instances may likely be found upon closer examination.

Incidentally, in Director Beck's March 7th letter, sent in response to my March 3rd letter, mistakenly addressed to Director Saez, Director Beck stated "...benefits offered to all relocating tenants comply with the requirements of existing law, including the requirements of California Relocation Assistance Law (Cal.Gov't. Code Section 7260 et seq.). TIDA has informed tenants of these relocation rights through multiple hearings, public notices, and meeting with affected tenants."

However, TIDA has not followed the process prescribed by California Relocation Assistance Law, and the implementing California Code of Regulations Title 25, Section 6000 et. seq., specifically, Section 6010. *Prior Determinations*, Section 6012. *Citizen Participation* and Section 6038. *Relocation Plan*, among others. For example, for a project causing residential displacement of more than 15 households, a detailed Relocation Plan must be prepared and submitted for approval by the local legislative body, which is the San Francisco Board of Supervisors.

TIDA's failure to follow Federal Rules injurious to Villages tenants

The Waiver & Release of URA benefits, which was attached to the Original Lease from 1999, has served to mislead many thousand of tenants of the Villages, which has had an annual turnover rate between approximately 25% and 5%, and an average population of roughly two or three-thousand residents over the past 15 years. The W&R's preemption of relocation benefits and assistance probably contributed to decisions of many tenants over the years to move from the Villages off Treasure Island.

The initial rent schedule for the Villages was set at "market rate", and Villages rents have only risen at about the rate of inflation since then, while residential rents in San Francisco have spiked higher in the past few years. Consequently, all of the "market-rate" housing units in the Villages would now qualify as "affordable" in relation to the San Francisco housing market. Such affordable housing is in very short supply in San Francisco, especially with occupancy rates at 98% or higher.

During the past several years, numerous news reports and articles have appeared about the unexpected radiological contamination on Treasure Island, and also about the chemical contamination present on former NSTI. The most alarming news reports concern contamination in the Housing Area, CERCLA Site 12. During this time, a number of residents have moved out of the Villages because of increasing concerns about chemical and radiological contamination.

In fact, during the past several years a number of families with small children, and pregnant women, and women who were planning to get pregnant (among others), have decided to leave Treasure Island out of an abundance of caution, given that the Navy cleanup had become so problematic and uncertain.

In particular, several families who were told they must move from Villages housing on Yerba Buena Island due to the anticipated first phase of the TI Project, chose to decline replacement housing offered to them on Treasure Island in Site 12, and moved away without ever having been properly informed of their true rights to relocation benefits and assistance under the URA.

Recently, according to the TIDA Staff Presentation and Director Beck's Report to the Board, TIDA persuaded four of the 24 households facing displacement due to the Navy cleanup to move out of the Villages and off Treasure Island, without TIDA having properly informed these tenants of their true rights to relocation benefits and assistance under the URA.

Three of the four were pre-DDA households and were offered a money payment, but that payment was for the wrong amount (see: page 5), and TIDA wrongly labeled this payment an "early In Lieu payment option", which TIDA had 'generously' allowed under the THRRs. The fourth household was wrongly excluded from receiving the money payment as "post-DDA", and was offered only moving expenses.

However, it is improper for TIDA to exclude any Villages tenant based on their "post-DDA" status in determining eligibility for benefits as displaced persons under the Uniform Act (see: page 3). Due to TIDA's wrongful exclusion, this "post-DDA" household will likely pay much higher rent during the coming years in order to continue to live in San Francisco, which may amount to significant damages.

Deputy City Attorney Sullivan

All displaced Villages tenants eligible for Federal URA assistance and benefits

The injury to tenant rights from TIDA's failure to follow Federal URA Regulations is obvious, but the actual harm and damages consequent to the instances given above, or from other cases not known to me or as yet undiscovered, needs to be determined by further investigation and by a Finder of Fact.

Remedies

Given that the City has intended to obtain title to Treasure Island for nearly two decades, and given that the problematic Navy cleanup of the Housing Area, in particular, may continue for some years to come, and given the present relocation of twenty-four Village households, and the likelihood that more, and possibly all, of the tenants of the Villages may someday face remedial relocation before the property is finally acquired by the City, it is imperative that the Navy, TIDA, and JSCo acknowledge the rights of tenants of the Villages to assistance and benefits under the Federal URA, and take necessary action to follow and comply with Federal URA rules and regulations.

Although both TIDA and the City Attorneys' Office seem surprisingly uninformed about the Federal Uniform Act, TIDA should be familiar with remedies afforded under California state relocation law, and a copy of the implementing Guidance, Title 25 California Code of Regulations Section 6000 et. seq., is posted on the TIDA website, specifically:

§ 6016. Remedies

(a) If the public entity has not fulfilled or is not substantially fulfilling its relocation responsibilities, it shall cease displacement until such time as its responsibilities are fulfilled. When appropriate project implementation shall be suspended or terminated.

(b) Eligible persons who move without offers of assistance and benefits, after the public entity was required to offer assistance or benefits, shall be provided such assistance and payments and, when appropriate, compensation for additional costs incurred. The displacing entity shall make every effort to identify and locate such persons.

(c) A public entity may pay a complainant's attorney's fees and costs and is encouraged to consider doing so when a complainant institutes a successful administrative appeal or judicial action.

(d) The enumeration of remedies in this section is not intended to discourage or preclude the use of other remedies consistent with the intent of the Act and Guidelines. Rather a public entity is encouraged to consider and adopt other remedies.

Conclusion and Demands

I have shown that the Master Housing Lease and all of the current residential housing units on former NSTI, both TIHDI units and "market rate" Villages units, both on TI and YBI, were provided under a Federal program and a Plan and Agreement which predates TIDA, and also predates and is completely separate from the TI Project-- which has yet to acquire any property or begin construction.

Furthermore, I have shown that the Master Housing Lease was clearly not intended as an instrument of conveyance for the TI Project, and in fact, contains explicit language to the contrary. Since the City has

Page 8

Deputy City Attorney Sullivan

All displaced Villages tenants eligible for Federal URA assistance and benefits

failed to show that "acquisition for the project" has occurred, and admitted fee title has not yet been obtained for the property in the TI Project, this controversy about whether the Master Housing Lease constitutes "acquisition" for the purposes of the Uniform Act must be seen as resolved in the negative.

Therefore, a tenant's "post-DDA" status, which refers to the Disposition and Development Agreement between the City and the developers, TICD, approved by the BoS on July 14, 2011, should have no bearing on tenant eligibility for relocation benefits and assistance under the Federal Uniform Act.

I believe the facts and argument presented above show that your underlying argument, implicit in both the W&R and in your recent letter, is confused and mistaken, and is not supported by facts or pertinent law. Consequently, I demand that the City agree to immediately sever the odious W&R from all leases, residential and commercial, and stipulate in an addendum that all displaced tenants in lawful occupancy of the premises at the time of displacement are eligible for Federal URA assistance and benefits.

Additionally, the City must immediately cease the present process of relocation for both the TI 24 and the YBI households facing relocation in anticipation of the TI Project. Instead, the City must "start over", and first properly inform all tenants of their true URA rights, provide assurances, and establish a resident advisory committee to have input into a proper Relocation Plan to be approved by a vote.


The City also needs to "undo" the harm caused by TIDA and JSCo not following URA law in the past.

Additionally, TIDA must agree to refrain from relying on a 90-Day Notice of Termination of Tenancy, which is contrary to the terms of the existing residential Lease, and TIDA must abide by the Lease and issue an appropriate (90-Day) Notice to Vacate under Section XIX instead. Incidentally, this form of Notice is more in keeping with the 'spirit' of both state and Federal URA law and regulations.

If TIDA fails to admit and correct their mistakes and adhere to the law, I intend to contact the Inspector General about this matter. In addition, I may file complaints citing failures of the Navy and of TIDA, as displacing Agencies bound by Federal law, to comply with the URA with regard to TI/YBI tenant rights to relocation assistance and benefits as displaced persons, and may seek recourse to remedies available under the Act, or take appropriate legal action if these demands are not satisfied presently.

Thank you for your time and attention.

Respectfully,


Jeffrey Kline

Cc: Robert Beck, TIDA Director of Development, City & County of San Francisco
Mirian Saez, TIDA Director of Island Operations, City & County of San Francisco
Dennis Herrera, City Attorney, Office of the City Attorney, City & County of San Francisco
John Cummins, Associate Counsel, Department of the Navy Office of the General Counsel, Naval Facilities Engineering Command SW

WAIVER AND RELEASE

The undersigned Lessee ("Lessee") desires to rent and occupy property located at 1221C MARINER DRIVE (the "Premises") on former Naval Station Treasure Island (the "Base"). The Premises are currently subleased and managed by the John Stewart Company ("Lessor") from and on behalf of the Treasure Island Development Authority (the "Authority"). The Authority acquired a leasehold interest in the premises from its current owner, the United States Navy (the "Navy").

Lessee acknowledges and understands that the Base (including the Premises) is located within a redevelopment survey area and will become part of a redevelopment project area under the Treasure Island Conversion Act of 1997 and the Community Redevelopment Law (Health and Safety Code Section 33000, et. seq.) and that the Authority plans to adopt the Treasure Island Reuse Plan as part of a redevelopment Plan for the Base which contemplates the Authority's eventual acquisition of fee title to the Base and the elimination of certain existing housing stock, including the Premises, in the future for reuse and redevelopment purposes. Lessee acknowledges, therefore, that occupancy of the Premises is an interim, non-permanent use and that Lessee may have to move from the Premises under any of the following circumstances: (i) the Authority's master lease with the Navy terminates, (ii) the Premises are determined by the Authority to have become a danger to health or safety, or (iii) the Premises are needed in connection with long-term redevelopment of the Base. Though the Lease, of course, will be entitled to use the Premises throughout the current term of its Lease, such Lease may not be extended beyond its current Term of its Lease.

In addition, Lessee acknowledges that it has received Relocation Information informing Lessee of all of the rights, benefits and assistance under the California Uniform Relocation Act of 1970 (Government Code Section 7260, et. seq.) (the "Act"), to which Lessee may be entitled if Lessee were a displaced person under the Act, and that Lessee has read and understands the information in that brochure. Lessee also understands that, under the Act, persons who are displaced from property as a result of the Authority's redevelopment of the Base may be entitled to certain benefits and assistance under the Act.

However, Lessee also understands and acknowledges that persons occupying property after a public body's acquisition of the property are not considered "displaced persons," under the Act and that Lessee has entered into this Lease after the Authority's acquisition of a leasehold interest in the Premises and with full knowledge that Lessee may have to move from the Premises after the Term of its Lease at the time the Premises is needed for the Authority's redevelopment and reuse purposes or for the other reasons stated above.

Finally, Lessee, nonetheless, declares that it still wishes to occupy the Premises as a sublessee of the Authority and, therefore, hereby waives and releases the Lessor (if it had any obligation), the Authority and the City and County of San Francisco from any and all benefits, rights and assistance, including Relocation payments, to which Lessee may be entitled as a displaced person under the Act, as described above and such waiver shall apply without regard to the reason that the Lessee Term is terminated, including a termination by the Authority during the Lease Term as a result of the Authority's acquisition of the Premises for redevelopment purpose.

This waiver and release is full and unconditional.

October 13, 2006



Cau Phung
Wanju (Iris) Tseng
John Haines
Jeffrey Kline
1221-C Mariner Drive
San Francisco, CA 94130

Subject: US Navy's Remediation Project

Dear Residents:

As you are aware, the United States Navy intends to perform environmental remediation on Treasure Island. The proposed work will impact each household differently. Information regarding the proposed remediation will be available at a public meeting, sponsored by the US Navy, scheduled for October 24th, beginning at 6:00 PM at Casa de la Vista, Building 271, Avenue of the Palms, Treasure Island.

Some households will be affected minimally. Some may have to change where they park, while others may have to access their homes from the backyard instead of the front. In some instances, households may have to move temporarily.

The John Stewart Company, as management agent for The Villages at Treasure Island, is working with the US Navy to minimize the impacts of the environmental remediation project and to develop options to help you deal with these inconveniences. To assist us in this planning, we have hired a relocation consultant, Overland, Pacific & Cutler, Inc. to advise us in this process.

This notice is to inform you of your rights under Federal and State law. Please note that it is not our intent at this time to move any existing resident off-site. If you are displaced as a result of the project, you may be eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, or section 7260 et. sec of the California Government Code.

This is not a notice to vacate the premises. This notice is to inform you that, during the remediation project, you will not be required to move

permanently. Therefore, we urge you not to move anywhere at this time. (If you elect to move for reasons of your choice, you will not be provided relocation assistance.)

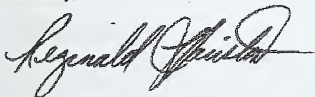
Beginning October 25th, we will be contacting those households that we anticipate will be impacted the most by the proposed work to schedule an interview. This interview will allow us to learn more about your household's needs, with this information being used in our planning process.

After the completion of the interviews, we anticipate holding another community meeting to discuss our plans further. This meeting will be held in conjunction with our monthly community meeting on November 15th.

We are sending this notice to you by regular mail. We will also attempt to hand deliver a copy to your household. In the event that no member of your household was available to receive the hand delivered letter, we will send you another copy as certified mail.

In the meantime, if you have any questions, please contact Francis Keys, a new member of our staff who will serve as liaison representing our property management office. Francis will be assisting us in coordinating the various property management issues that may arise during the environmental remediation project. Francis can be reached at (415) 834-0211.

Sincerely,

A handwritten signature in dark ink, appearing to read "Reginald Hairston". The signature is fluid and cursive, with a large, stylized initial "R".

Reginald Hairston
Property Manager

N6247499RP00805

signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Services referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Services described herein or to the extent Lessee assumes the responsibility for such Common Services pursuant to a cooperative agreement or other agreement with Government, the Common Services Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Services Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Services.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its Sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the amount that Lessee shall pay from revenue in addition to the Common Services Charge to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The Leased Premises may be used and operated by Lessee for residential purposes. Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any Sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased

W62A71-0000000005

13.20 Nothing in these provisions shall diminish or waive any rights which parties might otherwise have under common law or any Federal or State law or regulation, with the exception of Paragraph 13.13 of this Lease including applicable references in Paragraph 13.19, which shall be deemed to fully set forth the parties', including the Sublessee(s)', statutory rights under Section 330 of P.L. 102-484, and Paragraph 13.14 of this Lease including applicable references in Paragraph 13.19, which shall be deemed to fully set forth the parties' including any Sublessee(s)'s, statutory rights under 42 USC Section 9620(h)(3); provided that nothing in this Lease shall limit the right, if any, that an Indemnitee, Lessee or Sublessee may have to enforce, in a federal district court proceeding, statutory rights under Section 330 of P.L. 102-484 and 42 USC Section 9620(h)(3).

13.21 Any Indemnitee may implement or enforce the terms of Paragraphs 13.13 and 13.14 of this Lease in its own right at its own discretion without obtaining permission from or joining any of the other Indemnitee(s).

13.22 The provisions of Paragraphs 13.13 and 13.14 of this Lease shall survive expiration or termination of the Lease only to the extent a claim is made during or after the lease period by an Indemnitee(s) or by the Lessee or Sublessee(s) under the terms of this Paragraph 13.

13.23 Prior to taking any action or reaching any final settlement under Paragraphs 13.13 or 13.14 of this Lease that could adversely impact Lessee's or Sublessee(s)'s use of the Leased Premises, Government shall consult with Lessee and Sublessee(s) to minimize any such impact.

13.24 Nothing in Paragraphs 13.13 or 13.14 of this Lease creates rights of any kind in any person or entity other than: (i) the Government and (ii) Indemnitees, Lessee and Sublessees.

14. TERMINATION:

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 If, at any time after January 1, 2003, continued use of the Leased Premises by Lessee under this Lease is inconsistent with the final decision on disposal of the Leased Premises documented in a Record of Decision under the National Environmental Policy Act; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee

N6247499RP00B05

ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

From: Charles Sullivan <Charles.Sullivan@sfgov.org>

Date: May 2, 2014 at 3:43:31 PM PDT

To: Jeff Kline <kline.jb@gmail.com>

Cc: <bob.beck@sfgov.org>, <Mirian.Saez@sfgov1.onmicrosoft.com>, "Cummins, John M CIV NAVFAC SW" <john.cummins@navy.mil>

Subject: Re: All displaced Villages tenants eligible for Federal URA assistance and benefits

Dear Mr, Kline,

Thank you for your letter. I have reviewed it carefully, together with the applicable law. And I do not agree with your interpretation of the law.

TIDA acquired the property, rehabilitated the units, and then invited tenants to live in the units - with the express acknowledgement that the leases were temporary, that the units would need to be vacated, and that as post-acquisition tenants they would not have relocation rights under the URA. All tenants were informed of the Navy's ongoing remediation as part of the project, and that the leases were expressly subject to the Navy remediation activities.

TIDA remains hopeful, however, that all affected tenants will nonetheless understand that TIDA is offering Pre-DDA tenants relocation benefits that are the substantive equivalent, as described in the THRRs, if and when they are required to move.

Thank you for your input and advocacy, but I'm afraid that we will have to continue to disagree on this - Charles

Charles Sullivan
Office of City Attorney Dennis Herrera
City Hall, Rm. 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102-4682
415-554-4735 (p)
415-554-4755 (f)

This email may contain privileged or confidential information. If you are not the intended recipient, please reply to this email to inform me of your receipt and then destroy all copies. Thanks.



DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1455 FRAZEE ROAD, SUITE 280
SAN DIEGO, CA 92108-4310

11011

Ser BPMOW.eal/0165

MAY 1 2014

Ms. Mirian Saez
Treasure Island Development Authority
One Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130

Dear Ms. Saez:

Reference is made to Navy Lease N6247499RP00B05 (known as the "John Stewart Housing Master Lease"), executed on March 17, 1999. By letter dated November 25, 2013, the Navy notified TIDA that buildings 1325, 1133, 1205 and 1237 would need to be vacated by March 16, 2014 when the John Stewart Housing Master Lease was set to expire. Since that letter, the John Stewart Housing Master Lease has expired and is currently on a month-to-month holdover basis until a new Finding of Suitability to Lease (FOSL) and new lease can be executed. The Navy also communicated to TIDA that the four units did not need to be vacated until a later date. At this time, we are officially notifying TIDA that the tenants in buildings 1325, 1133, 1205 and 1237 need to be vacated by July 31, 2014.

Thank you for your understanding and cooperation. If you have any questions regarding the upcoming environmental remediation, please contact Mr. Keith Forman at (619) 532-0913.

Sincerely,

ELIZABETH A. LARSON
Real Estate Contracting Officer

NAVAL STATION TREASURE ISLAND
ENVIRONMENTAL RESTORATION ADVISORY BOARD MEETING

Tuesday, 15 April 2014
Casa de la Vista Building 271
Treasure Island
MEETING NO. 170

APR 14 2014
MSRB, FIG

- 7:00 – 7:10 **Welcome Remarks and Introductions**
Lead: Keith Forman, Navy Co-Chair
- 7:10 – 7:30 **Site 12 - Update on Radiological Characterization and Cleanup Work
in Solid Waste Disposal Areas (SWDAs)**
Lead: Tony Konzen, Navy
- 7:30 – 8:10 **Future Site 12 CERCLA Data Gaps Investigation**
Lead: Bryce Bartelma, Navy
- 8:10 – 8:20 **Update on Other Activities at Treasure Island**
Lead: Keith Forman, Navy
- 8:20 – 8:35 **Document Tracking Sheet and Field Schedule**
Lead: Dave Clark, Navy
- 8:35 – 8:45 **Co-Chair Announcements**
Lead: Alice Pilram, Community Co-Chair
- 8:45 – 8:55 **RAB Meeting Minutes**
Lead: Keith Forman, Navy Co-Chair
- 8:55 – 9:05 **BRAC Cleanup Team Update**
Leads: DTSC and Water Board
- 9:05 – 9:25 **Question and Answer Period**
Lead: Keith Forman, Navy Co-Chair
- 9:25 – 9:30 **Future Meeting Agenda Items/ Closing Remarks**
Lead: Co-Chairs

Next Regular Meeting: No May 2014 Meeting

7:00 pm Tuesday, 17 June 2014
Casa de la Vista, Treasure Island

Next Treasure Island Citizen's Advisory Board (CAB) Meeting: See the web site for latest dates and times for future meetings: <http://www.sfgov.org/treasureisland>

Next Interim RAB Community Member Conference Call:

7:00 pm. Tuesday 27 May, 2014

Call-In Number: 1- 866-738-8583

Participant Code: 6153166

Navy BRAC Web Site: <http://www.bracpmo.navy.mil> (click on map for Treasure Island)

Navy San Diego Office Address:

BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
NAVAL FACILITIES ENGINEERING COMMAND
1455 FRAZEE ROAD, SUITE 900
SAN DIEGO, CA 92108-4310

DRAFT MEETING MINUTES
RESTORATION ADVISORY BOARD
FORMER NAVAL STATION TREASURE ISLAND
18 February 2014
Meeting Number 169

Community Restoration Advisory Board (RAB) Members in attendance:
Nathan Brennan, Alice Pilram (Community RAB Co-Chair), Dale Smith

Department of the Navy and Regulatory Agency RAB Members in attendance:
Keith Forman, Navy RAB Co-Chair
Radhika Majhail, Department of Toxic Substances Control (DTSC)
Myriam Zech, San Francisco Bay Regional Water Quality Control Board
(Water Board)

Other Navy and Regulatory Staff and Consultant Representatives in attendance:

Bryce Bartelma, Navy
John Baur, Gilbane
Louie Cardinale, Navy
Dave Clark, Navy
Jerry Cooper, Gilbane
Christine Donahue, Chicago Bridge
& Iron (CB&I)
Zach Edwards, Navy Radiological
Affairs Support Office (RASO)
Yashekia Evans, Tetra Tech, Inc.

John Hackett, CB&I
Danielle Janda, Navy
Tony Konzen, Navy
Colin Lee, Tetra Tech, Inc.
Jessica O'Sullivan, Tetra Tech, Inc.
Lee H. Saunders, Navy
Raymond Schul, CB&I
Laura J. Tryboski, Gilbane
Tommie Jean Valmassy, Tetra
Tech, Inc.

Public Guests in attendance:

Robert Beck, Treasure Island
Development Authority (TIDA)
Erick Brown, Catholic Charities
CYO
Brandon Ceasar, Community
Housing Partnership
Seanda Conley, Resident
Kenn Conner
Pina Correa, Resident
Axel Grim, Resident
Carol Harvey
Cindy Hayes
Paris Hayes
Becky Hogue, Treasure Island
Community (TIC), Resident

Angeline Johnson, Resident
Jeff Kline, Resident
Mike Lee, Resident
Kathryn Lundgren, Resident,
Treasure Island Health
Network (TIHN)
Nancy McCormick, Resident
Craig Miller, Life Learning
Academy
Bob O'Brien, Weston
Atta Pilram, Resident
Emily Rappaport, Resident
Bart Rugo, Resident
Mirian Saez, TIDA
Ed Sisson, John Stewart Company

Reginald Smith, TI Yacht Club
(TIYC)
Dan Stone, John Stewart Company
Desmond Thorsson, Resident
Margo Weld

Sherry Williams – Treasure Island
Homeless Development
Initiative (TIHDI)

Welcome Remarks and Introductions

Keith Forman (Base Realignment and Closure [BRAC] Environmental Coordinator [BEC]) opened the February RAB meeting for Former Naval Station Treasure Island (NAVSTA TI) held at the Casa de la Vista (Building 271) on Treasure Island (TI). He asked that anyone with a question raise their hand and speak loudly and slowly so everyone can hear. Mr. Forman introduced all of the Navy staff present and invited attendees to talk to any members of the Navy team if they have questions. Mr. Forman reviewed the agenda (Attachment A).

Radiological Program at Site 12

Mr. Forman introduced Danielle Janda (Navy) to present the update on the Navy's recent radiological scans in Site 12, the housing area (Attachment B). Ms. Janda said a team of Navy contractors were in Site 12 doing scans. They covered more than 2.8 million square feet with their scans, and collected more than 1.5 million data points. Detectors were calibrated to detect a level of 0.01 milliroentgens (millirem) per hour (millirem/hr). Ms. Janda explained that radiation is something that each of us is exposed to everyday, and the average person in the U.S. is exposed to about 620 millirem per year. This varies depending on where you live, your occupation, and other factors. Dale Smith (RAB member) said she has seen numerous units of measure for radiation, and asked for clarification. Ms. Janda said there are measurements for concentration, dosage, etc. To be consistent, the Navy will talk about dosage, which was measured in millirem/hr. Mr. Forman said health physicists say dosage is the important number, so to be consistent and clear, the Navy will continue to use millirem/hr in presentations and communications with the public.

Ms. Janda said there were detections in some areas where the team did a "second look." Three of these areas were just soil, asphalt, or gravel. Two of the locations were man-made, non-Navy objects: one area was bricks and one was a concrete play structure. Mr. Forman explained the readings do not mean the items are unsafe; concrete is safe and so are bricks, they just have naturally higher readings. Kathryn Lundgren (TIHN, resident) said that concrete play structure was moved to its current location from another area. She is concerned that it may be radiologically contaminated. Seanda Conley (resident) said the blue concrete play structure being discussed is near her home, and she sees children playing on it frequently. Ms. Conley asked what the Navy is going to do to make

residents feel more comfortable. Mr. Forman said the reason the Navy is presenting the background information and putting the numbers into context is to help people understand the numbers and feel comfortable. He asked Ms. Conley what she would like the Navy to do that will make residents feel comfortable. Mr. Forman said a professional health physicist, Christine Donahue (CB&I), is present, and he asked Ms. Conley if she would be willing to discuss the safety issue in detail with Ms. Donahue. Ms. Conley asked if Ms. Donahue works for the Navy; Mr. Forman said Ms. Donahue does not work for the Navy, but is a contractor for the Navy. Ms. Conley said she would consider talking to Ms. Donahue.

Ms. Smith asked to what depth the instrumentation can detect radioisotopes. Mr. Forman said to about a depth of 1 foot. John Baur (Gilbane), confirmed the equipment the team is using can detect to about a depth of 1 foot, and said the instrumentation being used is state-of-the-art. Ms. Smith asked what the Navy plans to do for something that cannot be detected at the surface, for example, something at a depth of 3 feet. Mr. Forman said the Navy is working with the State of California on that scenario. They are having a meeting later this week to talk about what they would like the Navy to do to characterize the site in three dimensions.

Nancy McCormick (resident) said her understanding is that TI was created from Sierra Nevada granite, which is naturally radioactive, so it should be expected that there are certain levels of radioisotopes present in the soil here. Ms. Janda agreed and said the geology at TI is heterogeneous because it was dredged from the Bay.

Becky Hogue (TIC, resident) said she is also concerned about the play structure. If it was previously located in an area where there could have been a problem, then she would like it completely removed from the island. Mr. Forman said the play structure is not a threat to anyone, and there would be no scientific rationale to remove it. Zach Edwards (Navy RASO) said the reason the play structure has a reading above background is because it is made from concrete that contains natural rock, and is likely not much different than any other concrete at TI. He added that it is a common challenge to find concrete that is not elevated compared to soil.

Axel Grim (resident) said he is concerned that the instrumentation is not measuring levels that are actually present. Jerry Cooper (Gilbane) explained the calibration of the machines, and the low threshold that caused the Navy to take a second look. Mr. Grim asked if the background level is different for each area. Mr. Cooper said to be conservative and to simplify the investigations, the single standard of 0.01 millirem/hr was used as the threshold; anything above that was

where the Navy focused additional investigation. Ms. Janda said if a person were exposed to something at that project threshold level for 24 hours a day, they would still receive less than the allowable dosage for the year.

Margo Weld (resident) said she knows groundwater at NAVSTA TI is not used for drinking water, but asked if any groundwater assessments had been done to see if radiation is contaminating the bay. Ms. Janda said groundwater assessments have been ongoing and there are numerous monitoring wells in Site 12. She noted that to-date, there have not been detections of radium-226 in groundwater above what is found in drinking water.

Nathan Brennan (RAB member) noted that the Navy has dug to a greater depth in order to find sub-surface radiological anomalies. Mr. Forman said that is correct, in the Solid Waste Disposal Areas (SWDA) where the Navy has found the majority of these objects, they have dug until they reached the bottom of the solid waste and excavated all of it. That work is ongoing and will be discussed in the next presentation.

Mr. Grim said he is still concerned about the sensitivity of the instruments. It sounds like a survey was done before, but only at waist level, and now another survey is being done and the Navy is finding more. Mr. Forman explained that in March and April of 2013, the State of California conducted a survey. One of the recommendations the state made after that survey was that the Navy should conduct a thorough and comprehensive survey for all of Site 12. The two surveys are separate. What the Navy is presenting tonight are the results of the thorough and comprehensive survey they recently conducted.

Ms. Janda reviewed the areas where the Navy took a second look, based on the comprehensive surveys. She showed photographs of objects that were found. In total, the Navy and CDPH have found ten items outside of the SWDAs with an elevated radiological reading. Ms. Janda said in the most recent survey, the Navy collected 480 samples in 240 random locations, ranging from the surface down to 4 feet below ground surface. All samples were tested for radium-226 and cesium-137. Ms. Janda said the surface scan yielded 1.5 million data points, and the Navy is still running statistics and analyzing that data.

Desmond Thorsson (resident) asked about the sequence of work, and whether detected items are immediately retrieved. Ms. Janda said the workers would continue scanning for efficiency, then come back to specific locations. She noted all of the items identified during the surface scans have now been removed. Ms. Lundgren asked why nearby residents are not immediately notified if something is detected. She added that she does not feel safe, and whether families are safe or not, their health is being impacted by the stress of worrying. Mr. Forman

asked Ms. Lundgren what she would recommend the Navy do to alleviate worry and stress on residents. Ms. Lundgren said she is concerned that the Navy and regulators repeatedly say the housing area is safe, but they have no data inside the units where people are living or directly under their houses. Ms. Lundgren said she would like to see a survey done inside every residence.

Ms. Conley said if the Navy is relocating numerous families so they can demolish buildings, then they must also have the resources to move the play structure that she is concerned about. Mr. Forman said it is not up to the Navy to move that play structure. Mirian Saez (TIDA) and Bob Beck (TIDA) are both present at tonight's meeting, and they are the people she should talk to. Ms. Conley said she feels the Navy should stop putting these issues back on Mirian; Ms. Conley said she will not bother Ms. Saez with the issue, and is expecting the Navy to address the issue of the play structure.

Mr. Grim asked if there would be further studies. Ms. Janda said the Navy will do further investigations. Mr. Grim asked what the Navy would do for residents who want to move off of TI but do not have the financial resources to do so. He said his housing provider only offers to move him to a different location on TI. Mr. Forman said the residential lease is between Mr. Grim and his housing provider and issues about moving cannot be addressed by the Navy. Ms. Saez concurred that housing issues must be addressed through the housing providers, who may then contact TIDA. Ms. Conley said she does not understand how the issue can be with the housing provider or TIDA when the Navy still owns the land. Ms. Hogue said many people, including herself, want to stay on TI, and have worked hard to build a community here. However, she feels she is not getting straightforward communication from the Navy and is feeling frustrated.

Ms. Lundgren read a question from another attendee. The attendee asked why their neighbors at 1205 Bayside must move if the Navy says TI is safe. Mr. Forman said the next presentation will cover that project.

Non-Time Critical Removal Efforts in Site 12

Mr. Forman introduced Tony Konzen (Navy) to present the update on the non-time critical removal action in Site 12 (Attachment C). Mr. Konzen reviewed the investigations and reports planned for the SWDAs. As of this meeting, Buildings 1121, 1123, 1321, and 1323 have been demolished. The Navy will soon demolish Buildings 1119, 1125, and 1319 in SWDA A&B; Buildings 1207, 1209, 1211, and 1213 on Bayside Drive; and Buildings 1231 and 1233 on North Point Drive. Mr. Konzen said that during previous investigations, subsurface debris was found up to the base of the foundations of Buildings 1207 and 1209; in order to remediate these areas, the buildings must be demolished. Ms. Lundgren said she is concerned that the demolition and excavation will unearth harmful toxins and

affect the health of the neighborhood. She also asked why residents of Building 1205 must vacate if that building is not going to be demolished, but other people in the neighborhood do not have to vacate. Mr. Clark said people are being asked to move due to the close proximity to future construction activities. The Navy is being conservative and asking that Building 1205 vacate because of possible construction nuisance/hazards. Mr. Forman explained the Navy and contractors will take great care to minimize dust and other issues for residents.

Ms. Lundgren said she is concerned that the Navy will find debris under her building, which has a crack in the foundation, and she will find out she has been exposed to something for ten years. Mr. Forman asked Ms. Lundgren what she would like the Navy to do to address her concerns. Ms. Lundgren said she believes no one should be living on the site at all. She added that typical exposure rates do not account for her exposure, because she is on TI 24 hours a day/7 days a week. Ms. Lundgren added that after the Navy completes its cleanup, she would like an independent oversight committee to evaluate the cleanup.

Mr. Grim said he is concerned about dust blowing around during building demolition, and asked if he will be safe if he leaves his windows open. Mr. Konzen said the Navy's contractors will use dust control measures during all work, and it will be monitored to ensure safety for the workers and residents. Ms. Hogue said those measures have been used in areas where there are not houses on either side. For upcoming demolitions, she is concerned about the safety for tenants of houses adjacent to the demolition. Mr. Forman said work plans are being prepared to address dust control and other safety measures. He added that it will be a challenge and the Navy and their contractors are working hard to ensure safety. Mr. Konzen added that the buildings will be surveyed for radiological material before they are demolished.

Carol Harvey (community member) said she feels that the Navy is not communicating an accurate picture of the environmental situation at Site 12. Mr. Forman said it sounds like residents would like the Navy to do a better job of communicating. Ms. Conley said forums where people are put into groups, like breakout sessions, are not working for her. She wants an opportunity where the community can come together and explain how they feel. She said the opportunity to sit around a table, or even how the RAB meeting is set up but without the slide show, would be good for her. Ms. Conley added that a way to truly show the Navy cares about residents is to listen, rather than make presentations.

Carol Hayes (resident) asked why she must move out of Building 1205, but there are other buildings nearby that will not have to vacate. Mr. Clark explained that

the Navy took into consideration the proximity of the buildings they know they have to demolish, ingress and egress for residents and construction equipment, and other safety measures. If the Navy identified a likely construction nuisance or danger, then they are requiring those buildings be vacated even if they are not currently going to be demolished. In the case of Building 1205, the planned work will extend right up to that building and construction workers will have to use a front yard and side area to do work nearby. Mr. Thorsson asked if residents in units at the far end of the building could stay because construction will be at the other side of the building. He said many residents do not wish to move, and if there is a way for them to remain in place, they would like the Navy to consider that. Mr. Forman explained the Navy had to make a decision on a building-by-building case, but are not able to vacate only some units in a building. For safety, if a building should be vacated, they will vacate the whole building. Mr. Forman said he understands that moving is highly inconvenient. He apologized for the disruption and said the Navy is trying to be as protective as possible with their safety measures.

Ms. Smith said she had comments on the Bigelow Court Removal Action Work Plan. Mr. Konzen said he had not yet received her comments, but would review and address them. Ms. Smith also said she would like to see the Navy make more of an effort to recycle or reuse deconstructed building materials that are not contaminated, rather than sending them to a landfill. Mr. Forman said recycling of materials is not in the current plan, but the Navy will look at that and try to incorporate a more "green" plan for future demolition.

Mr. Kline asked a question about slide 12. There was an elevated reading on a building slab, and he asked what the surface reading was as compared to the reading of the actual hexagonal object. Mr. Konzen introduced Ray Schul (CB&I), the contractor doing the removal. The team found one area that was elevated to about 10 microroentgens (microrem)/hour, which is only slightly above background level. Then they removed the concrete foundation that was 8 inches thick, with 3-4 inches of gravel, then dug down about 3 feet to find the object. Mr. Kline asked if this item was missed during the first survey. Mr. Schul said it was, but the second survey was a different instrument for a different purpose, so the item was detected. Mr. Konzen said the scanning of the buildings is complete, and demolition is in progress.

Update on Sites 27, 31, and 33

After a brief break for the court reporter, the meeting resumed. Mr. Forman gave a brief update on other cleanup sites (no handout). Site 27 is also known as Clipper Cove. As discussed at previous meetings, the Navy recently completed its cleanup at this site. The cleanup involved dredging areas of the cove, then

covering those areas with rock armor. The dredged sediment was transported to former Naval Air Station Alameda (Alameda Point), where they were stockpiled to dry, and then analyzed by a laboratory. Of the 20 stockpiles, three have been identified as having elevated levels of lead. They will be transported off of Alameda Point to a landfill. The Navy is awaiting criteria from the regulators to determine whether the other stockpiles meet the standards to be used as subgrade fill at one of the landfills at Alameda Point. Ms. Smith asked about the remedy at Site 27, and why a geomembrane was placed at the bottom of the dredged area. Mr. Forman said after the area was dredged, a filter layer was placed in the excavation and the final rock layer was placed on top of that. Then small rocks/cobbles were placed to help prevent erosion. Ms. Smith asked why the filter layer was not also placed further out in the cove to prevent lead shot from rising in that area as well. Mr. Clark said there were no concentrations of lead shot to warrant dredging further out, so no layer was needed.

Mr. Forman provided an update on Site 31, located near the Boys & Girls Club. Significant progress has been made since the last RAB meeting, including completion of soil removal and a radiological survey that came back with clean results. The radiological signs on the fences have now been removed. There is a water main in the area that needs to be repaired, and that will be done as part of the site restoration. Mr. Forman said the Navy expects to have the site completely restored by May 2014.

Mr. Forman provided an update on Site 33, which is progressing in tandem to Site 31. Soil removal has also been completed at this site. The Navy plans to complete review of the data from the sampling at the site in mid-March. Site 33 should be restored by May 2014.

Upcoming Documents and Field Schedule

Mr. Clark reviewed the Document Tracking Sheet (DTS) (Attachment D) and the Field Schedule (Attachment E). Mr. Clark said the DTS is a subset of the major planning document for NAVSTA TI, the Site Management Plan (SMP). Mr. Clark said the 2013 SMP can be found on the Navy's website at www.bracpmo.navy.mil. Mr. Kline said he reviewed the site and could not find the document; Mr. Forman and Mr. Clark said the website has recently been updated and they will check with the webmaster to make sure it is posted.

Co-Chair Announcements

Ms. Pilram said she did not have any announcements. Mr. Brennan gave an update on the Citizen's Advisory Board (CAB). The San Francisco Metropolitan Transportation Agency issued a contract for the ramps to the new bridge. The developer, TICD, is getting proposals for design work that will need to be done as soon as the property is transferred. The next CAB meeting is planned for the

first Tuesday in June 2014, and more information can be found on the CAB website.

Reginald Smith (former Commodore, TIYC) thanked the Navy for the information provided at this meeting. He said several members of the yacht club who are also residents are present at this meeting, and Ms. Pilram regularly provides the club with updates on Navy activities. Mr. R. Smith invited attendees of the RAB to come to the yacht club if they are interested.

RAB Meeting Minutes

Mr. Forman noted there was not a quorum. Comments on outstanding draft meeting minutes will be moved to the next RAB meeting.

BRAC Cleanup Team (BCT) Update

Mr. Forman invited the regulatory agency members to provide an update. Myriam Zech (Water Board) said her agency reviewed the planned methodology for the ecological investigation for site YF3 on Yerba Buena Island. Ms. Majhail said the project manager, Remedios Sunga, was unable to attend this evening. She has been working on the radiological scanning project, as presented by Ms. Janda this evening.

Question and Answer Period

Mr. Forman opened the floor to community questions. Mr. Kline said the water table at TI varies from a depth of 2.5 to 4 feet, but many excavations are up to 10 feet in depth. He asked if that is a concern regarding cleanup, as far as creating a pathway for contamination to migrate. Mr. Clark said it does not cause a concern with a pathway for groundwater contamination to migrate to the surface... However, it does cause logistical issues during excavation, especially when excavating near the seawall. Field crews dewater and sample water when there is intrusion into an excavation.

Other Announcements and Future Meeting Agenda Items

Mr. Forman said there will be a public meeting related to the Site 6 Proposed Plan/Draft Remedial Action Plan on March 12, here at the Casa de la Vista. The next RAB conference call is scheduled for Tuesday, 25 March, at 7:00 p.m. The next RAB meeting is scheduled for Tuesday, 15 April 2014. Mr. Forman thanked everyone for attending the meeting. The meeting was adjourned at 10:17 p.m.

18 February 2014 RAB Meeting Handouts [attached when minutes are finalized]

- Attachment A: NAVSTA TI RAB Meeting No. 169 Agenda
- Attachment B: Radiological Program at Site 12
- Attachment C: Non-Time Critical Removal Efforts in Site 12
- Attachment D: Document Tracking Sheet
- Attachment E: Field Schedule



NOTICE OF PLANNED ELECTRIC SERVICE INTERRUPTION

<http://sfwater.org/index.aspx>

SFPUC High Voltage Crew will have the power off for to the following business on Treasure Island only in order to preform necessary maintenance.

This will help us ensure reliable service to our customers. In order to safely perform the work, we will be temporarily interrupting your electric service. Although we will do our best to minimize the length of the service interruption, please be prepared to be without service on the following date (weather permitting) and for the estimated time indicated:

Date: Thursday, May 1 st, 2014 from 8:00am to 10:00am

AFFECTED SERVICE AREAS:

All Units at 1234 North Point Drive

It is important to note the following:

- If you are a landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, it is your responsibility to notify the tenant(s) of the planned service interruption.
- **Unsafe weather conditions or an unforeseen emergency will force us to cancel the work at the last minute, and we will be unable to notify you of the cancellation. However, we will notify you of the rescheduled date and time.**
- **SAFETY WARNING:** Residents shouldn't use generators under any circumstances without housing provider's knowledge. If you use a generator during the service interruption, you must isolate your generator from SFPUC system. Failure to do so will not only damage your generator, but can cause serious injury to our electric crew personnel.

Here are a few recommendations to help minimize any inconvenience to you:

- If you rely on **life support devices** you may want to consider the following:
 - The housing providers have lists of who has medical devices requiring power and should get the generators ahead of time.
 - Find alternate lodging at a location not affected by the interruption
- **Computers** and other **electronic equipment** are particularly sensitive to power interruption. We recommend unplugging this equipment before the shutdown period.
- **Security systems, clocks, irrigation timers,** and similar equipment will likely require resetting after the shutdown is completed.
- Contents of your **refrigerator** or **freezer** should not spoil for the duration of this service interruption if these appliances are kept closed.
- Have on hand battery-powered flashlights with fresh batteries.

We apologize for the inconvenience and thank you for your patience.

Edwin M. Lee
Mayor

Anson Moran

Ari Torres
Vice Mayor

Ann Moller Caen

Francesca Victor

Vince Courtney

Ed Harrington

Public Works Manager





Treasure Island/Yerba Buena Island Bay Bridge Update

Public Announcement

Ramp Closure Look Ahead—Beginning May 2014

Due to construction activities near Yerba Buena Island Tunnel, the eastbound on-ramp from Treasure Island to the Bay Bridge will be closed from 5:00 am on Saturday, May 3, to 5:00 am on Monday, May 5.

This ramp closure will allow work to continue in the dismantling of the original East Span and the YBI transition structure detour (S-curve).

► EASTBOUND ON-RAMP CLOSURE FROM TREASURE ISLAND TO OAKLAND

- From Treasure Island, take the westbound on-ramp towards San Francisco.
- Continue right on to Fremont/Folsom Street exit.
- Stay to the right on to the Folsom Street leg.
- Drive straight one block to Harrison Street.
- Make a right onto Harrison Street.
- Make a left on 1st Street. Stay in the far left-hand lane to re-enter eastbound I-80 and continue across the Bay Bridge to Oakland.

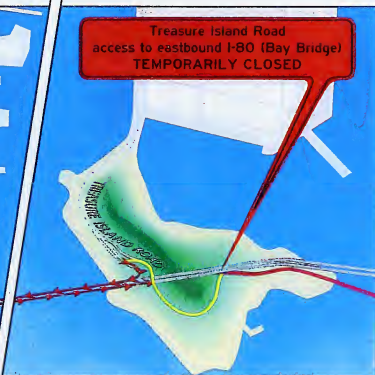
Please drive safely and Slow for the Cone Zone.

This detour will be removed as soon as the work is complete.

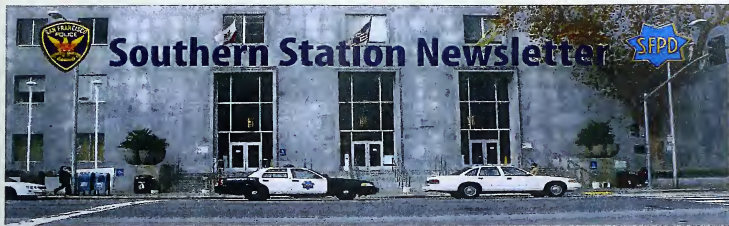
SAN FRANCISCO DETOUR



YERBA BUENA ISLAND DETOUR



For project information or questions about closures and detours, please contact Victor Gauthier at the Bay Bridge Public Information Office at (510) 622-1915 or by email at vgauthier@mtc.ca.gov.



850 Bryant Street San Francisco, CA. 94103 (415) 553-1373

Captain Michael Redmond
April 15th, 2014

Captain's Message

My monthly meeting will be at the Red Cross on Wednesday night (see information below) from 6:30-7:30 pm. At 7:30 pm there will be representatives from the city there to discuss and give updates to the neighbors in regard to the construction projects at the McCoppin Hub and under the freeway along Duboce.

Over the weekend Southern Officers made some great arrests and two noteworthy one's involved taking 2 guns off the streets. One of the arrests the officers were confronted with an armed subject that was violently struggling with the officers to get away from them trying to retain his loaded firearm. The other was a great spot by one of our great Patrol Specials that works the Southern (PS Shankar) who spotted the armed subject and called 911 immediately. These are just two examples of the hard work that goes on daily in this district. The officers at Southern also handle the largest amount of calls for service than any other Police District in San Francisco. I am very lucky to have outstanding personnel here at Southern that work very hard and do their best to keep the Southern as safe as we can.

Reminder:

April is also the ***National Distracted Driving Awareness Month*** (See below highlighted in red). The SFPD will be participating in this campaign with focused enforcement throughout the district but especially in our "Focus on the Five" intersections. The officers at Southern Station have increased their enforcement effort since the beginning of the year. When the officers are not on a call for service they are instructed to actively engage in traffic enforcement with the goal of collision reduction. A focused operation will be conducted this Thursday April 17th.

Have a Great Week!
Mike

Meetings:

Monthly Community Meeting

Date: April 16, 2014

Time: 6:30 pm

Location: American Red Cross – 1663 Market Street

Police Commission Meeting

Southern Station will be hosting the April Police Commission meeting this month on April 23 at the Old Mint, 88 5th Street. The meeting starts at 6pm. The Police Commission has their meetings at various district stations once a month. The meeting includes a presentation from myself about Southern Station and the police district as a whole. It also gives the public a comment time to speak to the Police Commissioners, Chief Greg Suhr and the SFPD Police Commissioners. This is a great opportunity for the community to be heard and interact with Chief Suhr and the Police Commission.

Date: April 23, 2014

Time: 6:00 pm

Location: The Old Mint, 88 5th Street

Events:

SF Giants v LA Dodgers- April 15-17

Earth Day Rally and March- Saturday April 19, 2014 11 am at Justin Herman Plaza. March will be at 11:30 am up Market Street to UN Plaza

Arrest of the Week

Great Teamwork

Patrol Special Shankar was conducting a security check of the garage at 833 Mission Street. He saw a suspect in the lobby drop a gun to the ground, pick it up and put it back in his pocket. PS Shankar called 911 and kept a close eye on the subject until SFPD arrived. When officers arrived PS Shankar pointed the armed suspect out to officers who immediately took the suspect into custody with PS Shankar's assistance. A search of the suspect revealed that he was in possession of a loaded 9mm Smith and Wesson firearm. A computer check revealed that the gun was reported stolen out of San Jose. **Occurred 4/13/14 @ 1:55 am.**



Investigation of the Week

Sergeant Carrasco from the Southern Investigative Team was working a Taxi Robbery case that occurred on Treasure Island a couple of weeks ago. The responding officers did a great job in the initial investigation in securing evidence in the case that led to the identification of the suspects in this Robbery.



Sgt Carrasco took off running with this investigation and gathered the surveillance video from the Taxi cabs camera. Sgt Carrasco issued a department wide crime bulletin with the hope of identifying the suspect. The crime bulletin was successful and Sgt Carrasco received some great information on possible suspects and went to work on locating them. He located one of the suspects at the Juvenile Justice Center. He was in custody for another robbery case.

Sgt Carrasco responded to the Juvenile Justice Center to interview the suspect in the Taxi Robbery. The suspect gave a full confession. The second suspect has been

identified and was taken into custody at the end of last week and charged for this Robbery as well. Great Work in taking these two violent individuals off the streets!!

Significant Arrests

Warrant Arrest

Officers responded to a 911 call at Northpoint and Gateview on Treasure Island. The 911 caller was concerned because they were witnessing a heated verbal argument. Officers arrived and located both parties arguing. Officers contacted the parties involved and determined that they were in a verbal argument and that no crime had been committed. A computer check of one of the parties revealed that he had a \$50,000.00 warrant for his arrest for a theft case. He was taken into custody for the warrant and later booked at County Jail. **Occurred 4/2/14 @ 11 p.m.**

Stolen Property Warrant

Officers responded to 1 Embarcadero in regards to a bike theft. Upon arriving, officers spotted a suspect by the bike rack that was described by the caller. It was determined that no bicycles had been stolen but the officers made contact with the subject. A computer check of the subject revealed that he had a \$10,000.00 warrant for his arrest out of Oakland for a possession of stolen property case. **Occurred 4/5/14 @ 11:25 pm**

Mobile drug deal

Officers on the Market Street foot beat were in the area of Mason and Turk streets. One of the officers spotted a drug dealer that he had arrested in the past exiting a vehicle. The suspected drug dealer spotted the officers and hurried away in the opposite direction. The officers went and located the vehicle that the dealer had exited. As they approached the vehicle they noticed some "clues." They smelled the odor of marijuana and saw a baggie containing what looked like crack cocaine in the car. They detained the driver. He told the officers that he was just smoking a marijuana/cocaine mix that he had just purchased. The investigation led the officers to the man that exited the vehicle earlier. He was found and arrested for the sales of cocaine base. **Occurred 4/3/14 @ 3:15 p.m.**

Battery on Police

On a Saturday afternoon at about 12:30 pm, two foot beat officers were standing at Market and Mason streets. They noticed several pedestrians stop at a red signal before crossing the street. One pedestrian ignored the red signal and crossed against the light. The officers stopped the man to cite him for the violation. He accused the officers of harassing him and told them to go and arrest some drug dealers. The man became increasingly angry and refused to show his identification. The officers made an attempt to gain control of the man, but he pulled away from their grasp several times. They urged him to stop resisting, but eventually had to use force to gain control of him. The man struck one of the officers during the incident. He later told the officers that he was having a bad day because his landlord kicked him out. He said that he was embarrassed and apologized. The officers revealed during the investigation that the man in custody was reported missing out of Daly City. He was cited for the red light violation, resisting arrest and released upon reporting him found to Daly City P.D. **Occurred 4/5/14 @ 12:36 p.m.**

Gun Call

Officers responded to a call of a person with a gun standing in front of 72 6th Street. This was the second call that was received on the same subject and the 911 caller was advising that the subject had a handgun in his waistband. Officers located the subject and detained him and recovered a gun from his waistband. Inspection of the gun revealed that it was an air soft gun that looked exactly like a handgun. The subject was arrested for possession of an air soft gun which is a misdemeanor violation of the Municipal Police Code. **Occurred 4/8/14 @ 3:04 pm**

Casing Vehicles, Possession of Methamphetamine and on Probation

Officers respond to the parking garage at 3rd and Folsom on a report of a subject casing vehicles. Security called for help when they observed a subject in the lot looking into numerous vehicles. Upon arriving, officers located security who advised that the subject had left but one of the other security guards was following the subject. Officers located the security guard and suspect in front of 650 Folsom Street. **Occurred 4/9/14 @ 9pm**

Trespassing

Officers were on patrol on Treasure Island when they were flagged down by a citizen that observed a subject looking into cars. The citizen told the officers that he lost sight of the subject on the west stairwell that led to a church. The officers performed a perimeter search of the church and noticed that 2 window panes had been kicked out. The officers saw a subject peering out of a window inside that matched the description that was given to them. The officers called for the subject to come out and he refused. The Officers made entry into the church and located and detained the subject. The subject was arrested for trespassing and felony vandalism. He was later booked at County Jail. **Occurred 4/9/13 @ 1915 hours**

Marijuana Sales

In an undisclosed intersection on Market Street several officers conducted a surveillance operation regarding drug sales. There were several complaints from businesses and residents regarding the sales of drugs and the dangerous people that come along with this illegal activity. Officers soon observed the sale of what looked like marijuana to a "customer." One officer kept a visual of the dealer until he was detained by an arrest team. Other officers moved in on the buyer and took him into custody. The dealer had additional drugs for sale on his person. The officers booked the evidence. The buyer was cited for his violation and the dealer was booked with a pending stay away order from the neighborhood he uses for his crimes. **Occurred 4/5/14 @ 4:45 p.m.**

Good Preparation

It is a little known fact that there is a lot of preparation work that goes in before a patrol officer hits the street on their shift. This is one of those examples. Two officers were on patrol in the 6th street corridor. The officers had recently gone through the clips of wanted criminals in their district. They came across a male subject that matched the description of a person wanted for domestic violence. They questioned the subject who also was on parole for other crimes. The thorough officers conducted a parole search which produced methamphetamines

and a pipe. The good preparation done by the officers resulted in a parole hold on the subject and dangerous drugs taken off the street. **Occurred 4/5/14 @ 8:00 p.m.**

Mid Market Enforcement

Due to numerous complaints from people of the community officers set up in the area of Market and Jones streets to monitor drug sales and activity. One officer (trained and experienced in 100s of drug related cases) observed a subject make a few drug transactions on the north sidewalk of Market St. Upon completion of the last transaction an arrest team was called and closed in and grabbed the seller and purchaser of the drugs. The observing officer confirmed the two detainees. Drugs and currency were retrieved from the two suspects as evidence. A criminal history check revealed also that the drug dealer was on parole for assault with a deadly weapon. His criminal history included prior charges including: lewd acts with a child, kidnapping, false imprisonment, robbery and burglary. The purchaser of the drugs was cited for his violation. The dealer was booked at the county jail with a possible stay away order from the area pending. **Occurred 4/5/14 @ 4:30p.m.**

Serial Burglar Arrested

Officers were in the area of UN Plaza when they observed a serial Burglar that was wanted on multiple commercial burglaries in the Southern. Southern Officers had been looking for this individual and a department wide Crime Alert had been put out notifying all officers that his subject was wanted. As the subject was walking through UN Plaza the plainclothes officers were following behind. The subject sat down and took a rest at which time the plainclothes officers approached and introduced themselves. The subject was taken into custody without incident. **Occurred 4/11/14 @ 5:17 pm**

Drug Arrest

Officers were in the area of 6th and Natoma when they were approached by a citizen that told them that there was a subject smoking crack in the alley. Officers responded and located the subject with the crack and crack pipe in hand. There was additional crack cocaine located in the subject's bag. He was placed under arrest and booked into County Jail. **Occurred 4/11/14 @ 9:20 am**

Vandalism Arrest

An officer was on Treasure Island conducting some training when he observed two suspicious subjects trying to avoid his detection. He observed one of the subjects holding a hammer. The officer was able to detain the subjects with the assistance of Southern Officers working the island. It was discovered that the subjects had attempted to break into a building, but were unsuccessful and interrupted by the officer. The subjects were arrested and cited from the scene. **Occurred 4/12/14 @ 4:45 pm**

Aggravated Assault suspect taken into Custody

Alert patrol officers observed a subject wanted in a stabbing in the area of 6th and Market Streets. The officers contacted the subject and placed him under arrest. A search incident to arrest revealed that he was in possession of methamphetamine. The investigator handling the case was notified and approved charging the subject for the stabbing case. The subject was booked for the stabbing as well as possessing methamphetamine. **Occurred 4/12/14 @ 5:01 pm**

Gun Arrest

Officers spot a subject in the area of 5th and Market that was reported earlier as possessing a firearm. As the subject see's the officers he starts to walk away to avoid them. Officers contact the subject and attempt to perform a search for weapons on the subject. The subject immediately starts to fight with the officers at which time a gun falls to the ground. The officers are able to take the subject into custody and secure the firearm. The firearm was later determined to be loaded. **Occurred 4/12/14 @ 5:42 pm**

Significant Incidents

Purse Stolen from Parked Vehicle

The victim parked her vehicle in a parking lot on Treasure Island at 11:25 am in the morning to have lunch. She returned to her vehicle at 12:05 pm and observed her rear window smashed. She looked in the back seat of her vehicle and observed her purse was stolen from the back seat. ***Do not leave any valuables especially in plain sight inside your vehicle.*** Occurred 4/5/14 between 11:25 am and 12:05 pm.

Purse Stolen from a Parked Vehicle

The victim parked her vehicle at 8pm in a parking lot on Treasure Island to attend a party. She returned to her vehicle at 11:30 pm and the front passenger side window was broken. She advised that she left her purse inside her vehicle when she went to the party and that it had been stolen. Occurred 4/5/14 between 8pm and 11:30 pm.

Dog Bite

Officers were dispatched to SFGH in regard to a dog bite case. Upon arriving, they met with the Victim who told them that she was walking W/B on Minna Street towards Sixth Street when a pit bull ran up to her, jumped and bit her forearm. The dog released its bite and ran towards 6th Street to an unknown male and female. The victim stated that the attack was unprovoked and that she would possibly be able to identify the dog owners if seen again. The victim said that she had never seen the pit bull or owners in the neighborhood before. Occurred 4/5/14 at 2:250 pm

Robbery

Officers were dispatched to the area of Otis Street near Gough regarding a robbery. They responded, but were unable to locate anyone matching the suspect description. One officer met with the victim. The victim told him that he was walking down the sidewalk when an unidentified black male held a knife to his neck. He then punched the victim in the face and took the wallet from his pocket. The suspect then fled north toward Market Street. The responding officers were unable to find any additional witnesses or surveillance video of the incident. The victim was offered medical attention and given a courtesy ride home. Occurred 4/5/14 @ 9:05p.m.

Garage Burglary

Officers responded to 38 Lusk in regard to someone who had entered their garage and broke into their storage locker. The Victim stated that her bicycle was taken from inside the storage locker. Occurred between 3/1/14-4/10/14

Battery

Officers responded to Kaiser Hospital to take a Battery report. The officers located the Victim who told them that he was at a nightclub in the South of Market. The Victim said that he asked an unknown individual for a cigarette. The Victim said that the person must have misunderstood what he said because he was attacked immediately by the individual and struck numerous times. The Victim sustained a black eye from the attack. Occurred 4/13/14 @ 1am.

Pepper Sprayed

The victim was walking on Clara Alley when he felt that someone was following him. The Suspect then tried to engage the Victim in conversation but the Victim could not understand what the suspect was saying. The Victim tried to walk away fast from the suspect when suddenly he was pepper sprayed by the suspect. The suspect then fled in an unknown direction. Officers arrived on scene and searched the area for the suspect but were unable to find him. Occurred 4/4/15 @ 1:55 am

April is National Distracted Driving Awareness Month

The singular purpose of this campaign is to reduce the number of traffic collisions that are caused by distracted driving. Our department is participating in this campaign in collaboration with the California Office of Traffic Safety and the California Highway Patrol. Our primary means of participating will be through our efforts to educate the public to prevent the behavior and to take enforcement action if the behavior does occur. Here is a link to a website that I encourage you to share with others.

<http://www.distraction.gov/>

These are four California Vehicle Code enforcement sections in the vehicle code that are used to address distracted driving:

23123(a) A person shall not drive a motor vehicle while using a wireless telephone unless that telephone is specifically designed and configured to allow hands-free listening and talking, and is used in that manner while driving. *Read the entire section for exceptions to this law* - <http://www.dmv.ca.gov/pubs/vctop/d11/vc23123.htm>

23123.5(a) A person shall not drive a motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication, unless the electronic wireless communications device is specifically designed and configured to allow voice-operated and hands-free operation to dictate, send, or listen to a text-based communication, and it is used in that manner while driving. *Read the entire section for exceptions to this law* - https://www.dmv.ca.gov/pubs/vctop/d11/vc23123_5.htm

23124(a) This section applies to a person under the age of 18 years.

(b) Notwithstanding ()¹ Sections 23123 and 23123.5, a person described in subdivision (a) shall not drive a motor vehicle while using a wireless telephone ()² or an electronic wireless communications device, even if equipped with a hands-free ()³ device. *Read the entire section for exceptions and enforcement restrictions* - <https://www.dmv.ca.gov/pubs/vctop/d11/vc23124.htm>

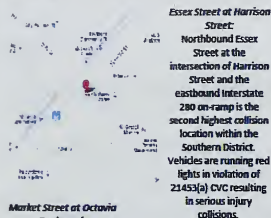
22350 No person shall drive a vehicle upon a highway at a speed greater than is reasonable or prudent having due regard for weather, visibility, the traffic on, and the surface and width of, the highway, and in no event at a speed which endangers the safety of persons or property. **This is a catch all section for drivers who engage in any behavior that could impair their ability to safely operate a vehicle.** This includes drivers reading books/maps etc., shaving/putting on makeup, eating, attending

to children, attending to animals, and/or just about anything else that causes them or could cause them to operate their vehicle in an unsafe manner.

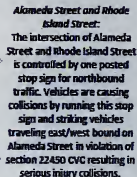
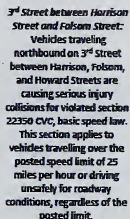
"Focus on the Five" Traffic Safety/Enforcement – Southern District

The most frequent illegal driving behavior resulting in injury accidents in Southern Police District is CVC 22350, violations of the basic speed law. The second most common illegal behavior contributing to injury collisions are CVC 21453(a) running a steady red light. Finally, the third illegal behavior contributing to injury accidents is CVC 21950(a), Pedestrian Right of Way violations. These violations occur in a variety of locations and in some locations a mix of two or more violations have resulted in injury collisions.

Throughout the year we have directed officers to "Focus on the Five" most dangerous intersections in the district when they are not on an assigned call for service. We will be engaging in increased traffic enforcement in the below listed area's that have been identified as dangerous intersections.



Market Street at Octavia Boulevard:
Market Street at Octavia Boulevard is the highest intersection for injury related collisions. Vehicles traveling eastbound are turning right onto Octavia Boulevard and causing collisions with eastbound bicyclists in violation of 22101(d) CVC resulting in serious injury collisions.



Auxiliary
Law
Enforcement
Response
Team

Are you someone who is interested in disaster preparedness and wants to help out your community while working hand in hand with law enforcement? Then the ALERT program is for you!

SAN FRANCISCO POLICE DEPARTMENT



Auxiliary Law Enforcement Response Team (ALERT)



ALERT Training Instructor, Officer Roly Canales with K-9 partner Pyro.

Mark Hernandez
ALERT Program Coordinator
San Francisco Police Department
Training Division
350 Amber Drive
San Francisco, Ca 94131
(415)-401-4615
sfpdalert@sfgov.org
www.SanFranciscoPolice.org/alert

What is the ALERT Program?

The San Francisco Police Department has developed a volunteer citizen disaster preparedness program. The Auxiliary Law Enforcement Response Team (ALERT) is modeled after and works in partnership with the San Francisco Fire Department's Neighborhood Emergency Response Team (NERT). The ALERT program will train members of the public to assist law enforcement in essential tasks after a major disaster. Such tasks may include: traffic control, foot patrol of business and residential areas, and reporting criminal activity. Volunteers must be at least 16 years of age and live, work, or attend high school in San Francisco.

Three steps to becoming an ALERT volunteer:

1. Complete NERT training and receive certification. To register for NERT training courses please visit www.sfgov.org/sfnert
2. Once NERT certified, forward a copy of your NERT ID card to the ALERT program. sfpdalert@sfgov.org
3. After clearing a basic background check the individual is eligible to register for ALERT training.

Like us on facebook
(www.facebook.com/SFPDALERT)



Important Dates:

- A informational meeting will be held on March 6th, at 7:00pm. The meeting will be held at the San Francisco Police Academy in the parking lot bungalow. This is not a mandatory meeting for interested volunteers. Come have your questions answered!
- Our next training class has been scheduled for Jan. 18th, 2014, from 8:00am-5:00pm. This class will be held at the San Francisco Police Academy, in the parking lot bungalow. **

**To view a detailed explanation of the pre-requisites please visit www.sanfranciscopolice.org/alert

becitysmart[®]

Before leaving your vehicle:

Lock any items, bags, or packages
in your trunk before reaching your
destination.

Remove, or hide from sight, small
items of value:

(Phone, charging cords, camera,
GPS, money, etc.)

The best way to prevent a break-in
is to leave your vehicle looking
empty.

Always lock your vehicle, close
windows and sunroof.

Do not hide spare keys in your
vehicle, always take your garage
opener with you.

NON-EMERGENCY INFORMATION

For non-emergency police:
415-553-0123

ONLINE REPORTING

Citizens can access the
service via the SFPD
website at:

www.sf-police.org

Select the Online Reporting
Icon.

Citizens can make reports
for Harassing Telephone
Calls, Auto Burglary,
Graffiti, Vandalism, Lost
Property and Theft.

Additional types of reports
may be added to the system.

**FIRE
POLICE
MEDICAL
EMERGENCY**

**DIAL
9-1-1**



www.sf-police.org



www.sfsafe.org
415 553 1984



Recyclingmark is a registered trademark of the
Southern District CPAB

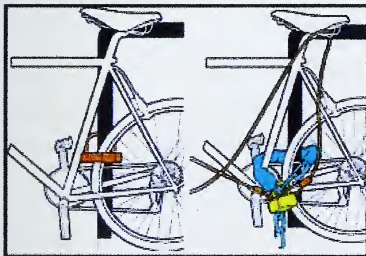
San Francisco Police Department & SF SAFE Anti Bike Theft Tips

Just Purchased A New Bicycle What Do I Do Checklist

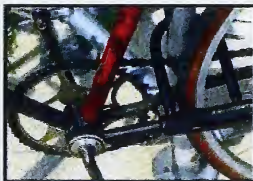
- o Write down your serial number, make, model and color of the bicycle. Put it in a safe spot where you won't forget it. The San Francisco Bicycle Coalition has a freemium form that is very handy. www.sfbikecoal.org
- o Buy a U lock. Don't depend on cable locks. They are very ineffective. Learn the right way to use a U lock. Locking up incorrectly could cost you your bicycle. Any bicycle mechanic or sales clerk will be happy to demonstrate how to utilize the rear triangle.
- o Replace quick release bolts with skewer sets. Bicycles are sold with quick-release levers for easy parts removal and storage. The downside of this convenience is that anyone can easily pull your seat or front tire in seconds. To prevent this, replace quick-release levers with skewer sets. Skewer sets can be bought at nearly any bicycle store and act as a locking nut-and-bolt to prevent your wheels from being removed. Some can only be undone with a special key, while others may require an Allen key. **LOCK UP YOUR BICYCLE EVEN IN YOUR GARAGE!**
- o Take several pictures of the bicycle.
- o Register your bicycle free of charge with San Francisco SAFE www.sfsafe.org (coming soon).

My Bike was Stolen, What Do I Do Checklist

- o File a Police Report - (let units respond to you or complete a courier report). Make sure you include the serial number, make and model in the report.
- o Register with www.sfbikebicyclesociety.com.
- o Set up internet alerts using www.ftm.com or a Google alert.
- o Contact www.sfsafe.org for security assessments and more useful information.
- o Utilize social media, post to craigslist, and notify the cycling community.
- o If you have video surveillance or possibly know where video surveillance is located then make sure that is indicated in the police report.
- o Please follow me on twitter @sfpdbike theft.
- o Check out www.madaboutmybike.com we post stolen/recovered bicycles on the Anti Bicycle Theft page.



Sheldon Brown Lock Strategy U Lock/Chain & Minn U lock



Sheldon Brown Locking Strategy





SOUTHERN STATION RESOURCE LIST

EMERGENCY	911
Non-Emergency	553-0123
SFPD Anonymous Tip Line	575-4444
Customer Service Center	311
Southern Station	553-1373
<i>Southern Station Anonymous Tip Line</i>	552-4901
Web (For Crime Stats, Internet reports, etc.)	www.sfgov.org/police
Southern Station email	sfpd.southern.station@sfgov.org
Captain Michael Redmond	michael.redmond@sfgov.org
Lieutenant Greg Kane (Station Investigations)	greg.kane@sfgov.org
Day Watch Platoon Commanders	553-1373
<i>Lieutenant Chuck Limbert</i>	charles.limbert@sfgov.org
<i>Lieutenant Steve Mannina</i>	steven.mannina@sfgov.org
Swing Watch Platoon Commanders	553-1373
<i>Lieutenant Teresa Gracie</i>	teresa.gracie@sfgov.org
<i>Lieutenant Dave Falzon</i>	dave.falzon@sfgov.org
Market Street Foot Beats	553-1373
<i>Lieutenant Scott Heidohrn</i>	scott.heidohrn@sfgov.org
<i>Sergeant Brian Oliver and Sergeant Ron Liberta</i>	brian.oliver@sfgov.org , ronald.liberta@sfgov.org
Southern Plainclothes Unit	
<i>Sergeant Darren Nocetti</i>	darren.nocetti@sfgov.org
Graffiti Abatement	278-9454
Graffiti Fax	278-9456
Southern Station Events	553-9191
<i>Sergeant John Conway</i>	john.conway@sfgov.org
Southern Station Permits / Code Abatement	553-9192
<i>Officer Simon Chan</i>	simon.chan@sfgov.org
Southern Station- District Attorney	553-1252
<i>Marisa Rodriguez</i>	marisa.rodriguez@sfgov.org
Deputy City Attorney – Southern District	554-3887
<i>Jennifer Choi</i>	jennifer.choi@sfgov.org
DPW	695-2020 Dispatch (24hrs)
Dept. Parking & Traffic	553-1943
Quality of Life Liaison/Homeless Outreach	553-1373 Officers Miolanen, Reyes and Toney
SF SAFE	553-1984 Nicole Workman
	www.sfsafe.org
<i>SF Homeless Outreach Team (24 hour dispatch)</i>	734-4233

Text a Tip from your cellular phone — it's still anonymous

- 1) Text 847411 (tip411) in the "To" field 2) Type "SFPD" in the text field 3) Type your tip

Using computers with Internet capability, SFPD Operations personnel will view all tips received 24/7 and evaluate each one. If the tip is of an emergency nature, personnel will forward it immediately to the department of Emergency Management for officer dispatch. They will forward all other tips for assignment to the appropriate investigative bureau or district station. Investigative units will have an Internet-capable computer at their disposal and will be able to text back and forth with the tipster based on a randomly assigned ID number that the system provides by Citizen Observer, Inc. The ID number is wholly confidential and is maintained in the company's server.

A Message from SF SAFE:



Watch streets become communities, and neighbors become friends. Watch crime go down, as security goes up. Watch police become partners as you join with them in making your neighborhood a better place to live.

Start a Neighborhood Watch on your block and see all these things happen! SF SAFE (Safety Awareness for Everyone) will give you the knowledge and tools to create a stronger, more cohesive and resilient community, and teach you how to be prepared and empowered at work, on the streets or sidewalks and in your home.

Contact SF SAFE at 415-553-1984 or learn more at www.sfsafe.org

New Program from SF SAFE

www.safebikes.org

SF SAFE, in partnership with the San Francisco Police Department has launched a new program called SAFE Bikes. This is a no cost bicycle registry program administered by San Francisco SAFE. Anyone can register their bicycle by going to www.safebikes.org and clicking on the registration icon. SAFE in collaboration with the San Francisco Bicycle Coalition, and several local businesses are undertaking a citywide educational campaign to teach people how to protect themselves against bike theft/burglary by recommending locking strategies and suggesting theft prevention tips.

The registration portion of SAFE Bikes is just beginning and can be a useful tool down the road if people register their bicycle. A Police Officer will be able to identify a registered bicycle on the street by the metallic sticker specifically made for this bicycle registration program. Each person receives a sticker when they register their bicycle. I encourage everyone to go to www.safebikes.org and utilize this free service offered.

311 Customer Service Center:

What is 311? 311 is a toll free, **NON-EMERGENCY** phone number that the public can call to access information about government services. A live customer service representative will be available 24 hours a day, seven days a week, and 365 days a year. The service is available to both wired and wireless customers. Wireless customers should call (415) 701-2311. 311 employees will be able to provide translations services in more than 145 languages and dialects and will employ a diverse staff of customer service representatives. Additionally, 311 is set up to accept calls from the hearing impaired by utilizing a TTY System.

*311 will also take police reports if you DO NOT have any suspect description and the crime is not in progress. After meeting these conditions these are the reports 311 will take: Harassing phone calls, vehicle break in, vehicle tampering, lost property, theft, and vandalism/graffiti reports.

COMMUNITY INVOLVEMENT OPPORTUNITIES

SFPD ALERT Program



San Francisco Police Department Auxiliary Law Enforcement Response Team (ALERT)

The San Francisco Police Department has developed a volunteer citizen disaster preparedness program. The Auxiliary Law Enforcement Response Team (ALERT) will recruit, train, credential, and uniform volunteers to assist law enforcement in the event of a natural or manmade disaster. Volunteers must be at least 16 years of age and live, work, or attend high school in San Francisco. For a comprehensive overview of the ALERT program, please visit our webpage at www.sanfranciscopolice.org/alert

SF NERT Program

The San Francisco Neighborhood Emergency Response Team (NERT) is free training from the San Francisco Fire Department in how to help yourself and your neighbors prepare for and respond to a disaster by working together. The 20-hour training includes personal preparedness, light search and rescue, disaster medicine, shutting off your utilities, and how to participate as a member of a neighborhood response team. NERT also offers continuing training for graduates, and activities that support building robust neighborhood teams. For more information, visit the NERT website at <http://sfgov.org/sffdnerf>, or contact Lt. Erica Arteseros at (415) 970-2022 or sffdnerf@sfgov.org.

Community Resources/Information

- South of Market neighborhood preparedness: <http://southbeachsafety.com/>

[Support SF BayView](#)

[Donate or Subscribe to SF Bay View](#)

**MOI JR VALREY'S NEW
BOOK AVAILABLE SOON!
FOR PRE-ORDER ONLINE!**



**UNFINISHED
BUSINESS**
Block Reportin 2

Follow

Us



Treasure Island radiation cleanup Subsite 6: Fires to put out fires

Select Language

Powered by [Google Translate](#)

April 9, 2014

Like {37} Tweet {4}

3

by *Carol Harvey*

On Wednesday, March 12, as I hiked west along Avenue M on the Berkeley side of Treasure Island, the particularly interesting odor filling my nostrils reminded me that, in the end, we are all human. This not unpleasant "eau de toilette" announced I was approaching the wastewater treatment plant at the northwestern border of Site 6 facing the Golden Gate. Site 6's opposite boundary lies southeast of Avenue E toward San Francisco and the Bay Bridge.

Radiation-filled storage boxes

Behind a chain link fence on Site 6's northern border across Avenue M from the island's Wastewater Treatment plant, the Navy stores, moves out and continually replaces a trail of thousands of large boxcar shaped containers full of radiologically toxic materials to be shipped off-island. According to a May 17, 2010, memo by senior Health Department physicist Larry Morgan, documented in a [2012 Bay Citizen article](#) by Matt Smith, "There have been several (high-radiation) shipments and about a thousand intermodal (containers) of radium waste shipped from Treasure Island." In the two years since 2012, many more containers have been shipped.



A steady stream of these boxcar-like containers carry radiation-contaminated soil from Site 6 off Treasure Island, probably headed

On Monday, April 7, 2014, rows of “newbies” ranged around the fence with “regulars.” As of May 2013, these rectangular caskets were reported being shipped off-island to a western toxic dumpsite in Clive, Utah.

for a toxic dumpsite in Clive, Utah. — Photo: Michael Short, The Bay Citizen

Residents express concern that, if the wastewater treatment plant breaches in heavy rains or with earthquake damage, the receptacles’ radioactive contents might escape and wash over the island and into the Bay.

Chemical contaminants dioxins, petroleum and naphthalene at a 1950s Navy firefighting school

Treasure Island seems the traditional hot spot for police, homeland security and firefighters’ military-style trainings. Residents wake to whistle bursts as rows of jogging “troops” execute drills in their streets.

It is no surprise, therefore, that Site 6 is also historically significant for a 1950s fire training school where toxic oil-based substances firefighting trainees employed to snuff out blazes were casually dumped on the ground. Sixty years later, Navy remediators are still cleaning dioxin-producing petroleum and naphthalene from Site 6.

On Wednesday, March 12, 2014, as part of the Navy’s mandated cleanup responsibilities, Keith Forman, Navy BRAC (Base Realignment and Closure) environmental coordinator, conducted a public Site 6 Draft Remedial Action Plan (RAP) meeting at Treasure Island’s Casa de la Vista building.

An attractive 16-page glossy pamphlet filled with colorful charts, assorted technobabble and acronyms for various actions, functions, chemical contaminants and environmental conditions was given to the public, who one suspects might have difficulty comprehending the text. To successfully respond to the Navy’s solicitations for written public comment, “no later than March 31, 2014,” it was important that attendees understand Site 6 remediation. One woman requested the committee make the information less scientifically lofty and more user-friendly.

Site 6 is also historically significant for a 1950s fire training school where toxic oil-based substances firefighting trainees employed to snuff out blazes were casually dumped on the ground. Sixty years later, Navy remediators are still cleaning dioxin-producing petroleum and naphthalene from Site 6.

I observed to Keith Forman that the text seemed to claim final authority with no footnotes or references provided that allowed one to check facts and figures for oneself. The Water Board’s Myriam Zech explained this material was documented on a website – accessible, but with difficulty.

The pamphlet illustrated and described fire training exercises conducted around 10 buildings, six underground storage tanks, one above-ground storage tank, and a central concrete-paved training pad and surrounding collector trench.

During fire training exercises, petroleum, magnesium and wood-fueled fires were set in various mock-ups at the former fire training school and then extinguished using a mixture of water and biodegradable emulsifiers.” These extinguishing agents produced “contaminants in the soil” including “dioxins and furans, total petroleum hydrocarbons (TPH), volatile organic compounds (VOC), semi-volatile organic compounds (SVOC),

polychlorinated biphenyls (PCB), methylchlorophenoxypropionic acid (MCPP) ... arsenic and manganese." All of these substances are carcinogenic.

Updating Treasure Island's modern-day firefighting training, one notes that the San Francisco Fire Department's Inservice Training Facility on Treasure Island's Avenue M, east of Site 6, houses a "fire suppression" training program providing hands-on experience which "satisfies federal, state and county training requirements" for San Francisco firefighters, as well as public safety personnel, paramedics and firefighters statewide.

The SFFD website boasts "scenario-based reenactments of many situations encountered by firefighters and rescue workers." Mock-up scenarios include numerous laddering situations, a search and rescue maze, forced entry scenarios, high rescue situations and a two-story single family residence interior prop."

In light of the SFFD's program offering training in "two propane-fueled live fire rooms," it seemed fitting that, during the March 12, 2014, RAP meeting, resident Kathryn Lundgren asked Lead Remedial Project Managers Bryce Bartelma and Dave Clark whether "our current firehouse that is now the current fire training ... (will) be made a repeat of Site 6? Are they using the same chemicals as they did in the past?"

Keith Foreman interjected with reassurances. "We're talking about a Navy firefighting training school that did things completely differently than they would today."

Vintner Patrick Bowen verified this, proudly describing his firefighting school neighbor east down Avenue M from the Fat Grape Winery. "Those big huge metal plumes" on the facility, he said, "those are afterburners and cleansers. So they can actually train in anything. They can burn chemicals and gasolines and oils and rugs and fabrics and anything, and nothing goes into the air because it's all filtered out. Heaven forbid it goes into the air! Berkeley's on the other side of the Bay," he chuckled.



Considering the mold problem that forced firefighters out of the old fire station, the radionuclides and chemicals left in Site 6 soil, together with lack of attention to island infrastructure, this concern bears ongoing scrutiny.

Ms. Lundgren continued directing questions to Mr. Bartelma, pointing out the chart in the Navy's brochure listing dioxin as one of the contaminants left from the old firefighting school on Site 6.

"Bryce, it says in here that those things (Table 2 dioxins etc.) exist in the site ... so I want to make sure that I'm clear on whether it's actually

Other than posting warning signs, the Navy is making little effort to keep the public – especially curious children, who are most at risk – out of areas on Treasure Island where radioactive and chemical contaminants put all living things in jeopardy. – Photo: Carol Harvey

infiltrating the soil ... – or the groundwater – though it says it doesn't."

Myriam Zeck, California Water Board agent, noted, "That's a good question."

If dioxin exists as trace amounts of soot in dry soil, Treasure Island's high water table and high tides could easily wash this powerful chemical contaminant into groundwater.

The meeting's audience was small. Navy Environmental Coordinator Keith Forman went off format, allowing Bryce to "speak briefly to this tonight."

Addressing Bryce, Kathryn pointed out that Table 2 of the Remedial Action Plan Pamphlet listed dioxin as being in soil but not groundwater. She asked whether that is because "you've actually tested the groundwater and not found any evidence of it or acceptable level of it? Because groundwater and soil must interact in some way if there's a raising and lowering of the groundwater levels. There must be some residue."

Bryce echoed Myriam Zeck's compliment, "Well, that's a very good question ...

"Going back to the site models, the dioxins in the shallowest soil are because that's where the burning took place (burning petroleum produces dioxins). So, if they (the 1950s firefighter trainees) were burning material, we would expect to find it in that soot-like material right at that ground surface."

Bryce glanced left to his co-lead remedial project manager Dave Clark for a response and continued. "As far as migrating downward to the groundwater, it's possible. I'm just not certain that their remedial investigation looked at that."

Clark took over clarifying that in the 2012 "data gas investigation," "TPH (total petroleum hydrocarbons), VOCs (volatile organic compounds) ... and "arsenic were detected at concentrations ...

(Here Clark's words changed course.)

"or no known concentrations exceeded the screening level. So we supplemented the existing data set with new data. And so that's why you don't have these groundwater issues, because we have real data, or recent data, not making them exceeding the screening levels." (This dialogue can be followed in full in the accompanying video clip.)

He explained their testing showed that dioxins, arsenic, petroleum hydrocarbons and volatile organic compounds were apparently far enough "below the screening level" that they were confident in simply replacing old data with new, updated data. The end result is that we, the public, are prevented from scrutinizing old data and checking the facts for ourselves.



0:00 / 10:05

The Navy's fancy radiation cleanup footwork on Subsite 6, Treasure Island

The specter of RAD

At the March 12 RAB (Restoration Advisory Board) meeting, Kathryn Lundgren brought before the committee the specter of radiation – “RAD” in technobabble.

On Feb. 12, 2014, Kathryn and I had paid an earlier visit to Site 6's southern border. The wastewater treatment plant was visible. The presence of radiation was the topic. A yellow business obscured the radiation storage yard to the northeast.

An automobile with Rapid Radon Remediation lettered on its door was parked in front.

“You think the Ace Glass Co. is remediating their radon?” I asked.

“Or Terrell Wines?” noted Kathryn.

It interested me that the building abutted the radiation storage area on the other side.

I asked, “Does that tell you that the people in this building know, because of the storage area, there is probably radon in their building, or around their building, and they're trying to remediate it?”

“Right” said Kathryn. “Has anybody (on the RAP committee) brought (radon) up?” she asked sardonically.

“Has anybody suggested that our homes (be tested for radon)?”

I asked if anybody had.

"We brought it up," insisted Kathryn.

Have they discussed it?

"No!" She said. "Have they tested for it? No."

During the March 12 meeting, Kathryn queried Keith Forman: "So we're not talking about RAD at all in this area? Even though that's the location of the storage area currently? So it's not an issue at this point?"

Keith Forman answered, "No, when you have a storage area for RAD – when you close out that storage area, you do a screening. But that's not due to a release – a RAD release or anything – so it's not really part of CERCLA."



This map shows where the Navy is concentrating its radiological cleanup efforts on Treasure Island.

CERCLA is the acronym for a federal Law entitled Comprehensive Environmental Response, Compensation, and Liability Act, which mandates remediation.

"So it's just a precaution?" asked Kathryn.

"Yes," answered Mr. Forman, "just to make sure that you did good housekeeping when you picked up your storage area."

Unrecognized was our deep concern about possible poisonous leakage from the rectangular radiation storage boxes behind the chain link fence with its radiation warning signs. Also, we knew that businesses at the lower end of Site 6 were remediating their facilities for Radon.

I observed the van's sign said RAPID Radon Remediation.

Retorted Kathryn, "Let's get (radon) out quick for people who pay a lot of money to be there.

"Stuff like that makes me really furious. Then I lose my sense of decorum."

People in this building have the money, I reflected. The poor people who were brought out here – the 2,600 of them – are middle and lower income people who don't have the money to pay Rapid Radon Remediation.

"Yes," frowned Kathryn. "But the City does, and the City is our landlord, so why isn't the City doing this?"

Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at carolharveysf@yahoo.com.

Support SF BayView

Donate or Subscribe to SF Bay View

**MOI JR VALREY'S NEW
BOOK AVAILABLE SOON
FOR PRE-ORDER ONLINE!**



**UNFINISHED
BUSINESS**

Block Reportin 2

Follow



Treasure Island Subsite 31: The Chernobyl trees at Mordor

Select Language ▼

Powered by **Google Translate**

April 9, 2014

Like { 10

Tweet { 5

1

by Carol Harvey

Site 31 is a vast gray asphalt swathe located on Treasure Island's Golden Gate Bridge side, a few blocks inland east of Halyburton Court. On the far end, a small roughly 40-foot wide, 10-foot deep pit is visible. One imagines a volcano of Mordor flaming radioactive fumes.

As if to save Site 31 from sinking into this burning hellfire, the C3 Church took over Treasure Island Elementary School at 401 13th St. Starting in 2006, students were bussed to the city.

It is probable that, because those primary school kids used this asphalt swathe as a track to practice running, their lives were changed forever by atoms exploding in their bodies.

Site 31 is sandwiched between the former San Francisco Boys and Girls Club on the north and, to the south, a fully-operational Catholic Charity-funded licensed daycare facility, Treasure Island Development Center.

In May 2013, the Boys and Girls



In 2011, tons of toxic waste – some of it covered, some not – were piled next to the Treasure Island School. – Photo: CalWatchdog

Club vacated Site 31. Neighbors speculate the move came after the Navy fenced off the area, scooped this cavity from its southeastern end and began carting away truckloads of loosely-tarped toxic soil. The wind carried radioactive dust from the trucks into all of the Gateview Avenue and 11th, 12th and 13th Street neighborhood courts the locals call "fish streets" – Striped Bass, Halibut, Croaker and Flounder.

The day care center with its distinctive low slant roofs sits immediately across the fence from this toxic hole. During the day, toddlers from San Francisco, San Mateo and Marin play 25 feet away, and on warm nights from among the bullrushes genetically modified frogs pulsate their croaking chorus.

In his 2011 CalWatchdog.com article, "[Treasure Island's Toxic Problem](#)," Anthony Pignataro described Site 31 as a "big field next to an elementary school, of all things," which, at that time, contained "immense piles of dirt, some covered in black tarps, others not." He observed signs on a fence surrounding the field, trumpeting "Hazardous Waste Exclusion Zone."

By March 2014, three years later, trucks have carted away all the dirt piles, and that sign is gone. But its square yellow and black steel clone reappeared on the nearby fence encircling the deep water-filled trench from which toxic soil was removed, warning: "Caution: Hazardous Waste Area – Unauthorized Persons Keep Out."

Mordor

On Thursday, Feb. 27, 2014, Kathryn Lundgren and I visited Site 31. Kathryn was aghast that the tattered green tarp fence near the Boys and Girls club lay flat on the ground.

I filmed Kathryn as she picked her way over the clanging metal, then marched across that dangerous expanse to the faraway toxic pit and back again demonstrating that kids playing or squatters searching shelter could enter the contaminated area with ease. Throughout her series of "toxic tours," Kathryn repeated that "squatters" and "lost people walking around" could easily breach toxic buildings and exclusions zones, and walk over broken-down fences like the one we encountered here.



0:00 / 8:42

Kathryn walks in and videos Mordor.

A homeless friend's radiation wounds

In fact, On Thursday, March 6, 2014, a homeless friend described an experience he had in November 2013, returning with fellow squatters from a Treasure Island church feed through a “more or less circular, cut-off area,” taking “a shortcut” to get to “Buena Vista Island” faster. The group was most likely heading southeast from the C3 Church toward Yerba Buena Island through the toxic former playground that is now Site 31. This person’s conflating the name “Yerba Buena” with San Francisco’s “Buena Vista” Park indicates his unfamiliarity with the place.

“There was some signage that, like, suggested that it was a like a hazard, and, you know, like radioactive like signs or symbols, or whatever. We didn’t really know what the hell the deal was.”

A week or so later, he developed all over his body “gnarly,” out-of-control “crater scabs,” “like having a bug infestation – scratching and things like that – that spread like the goddam plague.

“I was just kind of wondering, like, maybe the radioactivity might have had some effect – my body being able to heal – and a direct effect on the wounds themselves which caused them to like grow out of control and spread like mad – just turn into this totally other whole affliction.”

A Site 12 resident attended to similar wounds incurred by a second group member. In their status as formerly homeless or at-risk for homelessness, Treasure Island’s subsidized housing occupants have a deep connection with unhoused people who escape there seeking shelter from San Francisco’s brutal streets.

Art student loses her way on Treasure Island

Art student Maria Johnson, searching for Treasure Island friends, wandered in "cordoned off areas" to find bus stops.



Art student Maria Johnson accidentally entered Treasure Island radiation zones not fenced off. "I am just shocked that we're allowed to access this 'normal' location even though the island is basically contaminated beyond repair," she said. — Photo: Carol

Harvey

"the big wet pond."

"The place where the grass is growing?" I asked.

She said she suspected they left the large former children's play yard and track paved for a place to dump the dirt they excavated from the pit at the back of the space I was now calling Mordor.

"There were mounds here," she remarked, recalling the tarp-covered dirt piles Pignataro described three years earlier, "covered with this thing called Rhino-snot. It's like a green coating that supposedly absorbs (the radioactive material or chemical contaminants). Then they roll that up. What they do with that jelly afterwards, I don't know." I wondered whether they store it in the boxcars on Site 6 near the waste water treatment plant.

On her walk-around she noticed a drain in the center of the paved area.

"Dirt that they removed from (the hole) and left in piles is still laying here."

"You mean the sandy stuff that's blowing across?" I asked.

"Yes," she answered. "And, it's all dripping into that drainage tube in the center. There's a wet ring around it."

This was (the school kids') track," she said sadly. "You can still see the lines where they used to run around it. And then soccer in the middle and basketball in the middle and ..." Was she thinking of her own kids who went to school there?

She "saw many buildings with asbestos hazards laden on them, graffiti made with spray paint and shattered, old windows. It looked very desolate.

"I walked by mesh wire fences which had 'Radioactive' labels strung on to them. I noticed a large mound of teal colored dirt on top of regular dirt conveniently placed across the street from a winery.

"I am just shocked that we're allowed to access this 'normal' location even though the island is basically contaminated beyond repair."

Returning, Kathryn announced, "I just saw (that) to take care of this problem, ... (the Navy) needed to go (dig) underneath" into

She laughed sardonically pointing out that the youngsters ran in that circle right around the center drain into which toxic silt still disappeared when it rained.

"I'm not laughing out of humor. I'm laughing because I just can't believe this," she said.

She took my camera on a second walk-around, filming evidence of an interesting pattern of dead and living trees next to each other along the fence perimeter.

Kathryn pressed a final point about Site 31. Behind us, the empty Boys and Girls Club building's flat, low, tarred-over roof was covered with asbestos.

"The school buildings — kids climb on those. It happens all the time. They help each other up. They're kids. And it's low, and no one's in them. So they come out here, and they hang out on it."

To get a good, 360-degree view of the Bay, I mused.

She reported, "They (the military builders) used sheeting that most likely contained asbestos. That's what I've seen in evidence throughout the other parts of the island. It's usually the tar with the pebbles stuck in it, and then the asbestos is sticking out of it." We, in fact, had filmed asbestos tiles lying in grass all over the island.

A toxic wind tunnel

New potential radiation sites on Treasure Island



This graphic was published by The Bay Citizen on Aug. 17, 2012.



0:00 / 6:30

Radiation wind tunnel near Treasure Island homes – Site 31

On her second circumnavigation of the track, Kathryn took my camera and filmed evidence outside the fence of a narrow “wind tunnel” of charred trunks, denuded branches and dead vegetation bordering thriving trees.

Gusting from northwest to southeast off the ocean side of the Bay, fast-moving Pacific winds lift poisonous fumes from Halyburton Court, carrying them across Site 12 homes, then east over Site 31. They blow off-island at the Bay Bridge’s Willie Brown span. This murderous current seems to have terminated trees and vegetation edging the former track and an adjoining side road.

Kathryn wanted to show me further evidence of this wind tunnel on a lane by the pond. So, we walked through the school yard and a few steps east.

There, tree trunk corpses tilted or lay fallen on cracked pavement next to dried beige scrub. A scant few feet on either side of this narrow path of death, healthy green-leaved Monterey pines and verdant weeds rose tall and proud along a cement cul-de-sac road where the remediation zone bisects Avenue E.

Pointing at a barren tree she filmed from the play yard side of the fence, I said, I’m calling it the Chernobyl tree because it’s right in the wind path blowing the chemicals and radiological stuff over it.

“Right,” said Kathryn. “You can feel the wind on your face right now. This is the path of the wind.”

“And the trees on either side of it are nice and green,” I added.

I commented on a brown tree that had fallen over, leaving its cones on the ground. “That’s (in) the wind path, isn’t it,” I said.

"We're walking through the wind path now," said Kathryn.

"It's on my face," she said. "You can feel it blowing. It's just kind of whispering ... right now, but when it really gets whipping, it pulls all the stuff from back there – Halyburton Court, the Pandemonium."

"Where all the people (except military families) have never lived and the Pandemonium I radiation training ship was docked," I said.

"Yeah," she answered ruefully. "That wind is kicking through here, and all of these things in front of me are dying."

She surmised that the death tunnel was formed by a combination of toxic particulate matter blowing from the former Pandemonium I site over deadly Halyburton Court and off the trucks that carted radioactive dust from the area.

"So, how can it not be a part of what (Navy scientists) see when they come here?" she asked. "They're trained to see that, I thought. They're scientists. You don't notice these things? You don't know how to observe patterns?"

Sadly, children are the beings who have been, and will be, most affected by the toxic wind, water and earth of deadly Mordor.

Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at carolharveysf@yahoo.com.

RADIATION BUNNY - A TREASURE ISLAND JOKE



0:00 / 4:12

Radiation Bunny and other signs



[Support SF BayView](#)

[Donate or Subscribe to SF Bay View](#)

**MOI JR VALREY'S NEW
BOOK AVAILABLE SOON
FOR PRE-ORDER ONLINE!**



**UNFINISHED
BUSINESS**
Black Reportin 2

Follow
Us



Treasure Island: Pandemonium at Halyburton Court

Select Language ▼

Powered by  Google Translate

April 9, 2014

Like { 41 }

Tweet { 1 }

by Carol Harvey

Subsite Halyburton Court

Situated at Treasure Island's northwest corner on Site 12, Halyburton Court consists of a small cluster of vacant 24-unit apartment buildings that, from the 1970s to 1996, housed military families.

Considering all possible contamination sources, it is noteworthy that from 1957 to 1969, before Halyburton Court was built, the Navy operated a radiological training school just south along the perimeter facing San Francisco, where Gateway Avenue and Westside Drive homes now stand.

In 1956, between the site of that now-vanished instructional facility and Halyburton Court, the Navy fashioned from salvage a 173-foot mock-up training ship. In retrospect, it was aptly christened the USS Pandemonium, because it does indeed continue to generate uproar in Treasure Island lives. Kathryn Lundgren says the ship is "like a poorly fashioned amusement park ride, designed for the Navy's amusement and our terror."

In 1957, Naval Command set radiological warfare to full sail. All hands flooded on deck learning to scrub radioactive contamination off the fake ship's surfaces. Until 1963, students equipped with monitors were taught to locate powerful radioactive cesium-137, but in later years, instructors used radioactive isotopes with



On its Treasure Island base, the Navy built this land-locked mock-up "ship," the USS Pandemonium, to train sailors in cleaning up radioactive contamination years ago when such cleanup was thought to be feasible.

shortened half-lives. Radioactive wastewater not spilled on the ground was collected in large tanks until it was considered weakened enough to be siphoned off through a pipe into the Bay.

Navy records before 1999 indicated no problematic chemical levels, but later soil tests disclosed PAHs and PCBs at 19,000 parts per million, far exceeding the EPA's acceptable standards of .22 ppm.

For years, the Navy has resisted disclosures of more than low-level radiological "impacts." Matt Smith and Katharine Mieszkowski [reported](#) that, for the first time in an Aug. 6, 2012, draft report, the Navy admitted "that a school preparing sailors for nuclear warfare might have left behind radioactive residue."

Whether radiation residue or chemical contaminants continue to emanate from soil or water in the area, Halyburton and Bigelow Court next door are so toxic that, in the late '90s after military families moved out, the Navy fenced them both off, and San Francisco's low-income transplants were never allowed in.

Jim Burres, Naval electronics instructor, was among the first of Treasure Island's military inhabitants. From 1966 to 1967, he attended Navy Training School there while residing at Midway Village, student quarters near the Cow Palace.



During his duty watch at the ersatz ship USS Pandemonium, Jim watched sailors washing radiation off the deck while kids played on the beach nearby.

In 1968, Jim served at sea on the cruiser USS Bennington.

He brought his wife back to Treasure Island in 1970, where he taught electronics. Jim's family resided at 1238E North Point Drive in Site 12, during a time when the firefighting school was operational. He told me that, "in the (old) firefighting school, they scraped dioxin off the walls."

On Sunday, March 30, 2014, after he read one of my Treasure Island articles published by the San Francisco Bay View newspaper, he left the following voice mail:

This Navy family housing built near a former nuclear war training facility is now a radiation cleanup site. Squatters in search of a place to sleep without being harassed often risk the danger. —

Photo: Michael Short, The Bay Citizen

"Carol, my name is Jim Burres. I live in Oregon. ... I lived on Treasure Island in 1970 to '72 with my wife and three children, two of whom have had to have female surgery. My wife had a heart attack, and I'm diabetic, and my son was born with an open tailbone."

Making the appropriate connections between his family's illnesses and birth defects and the radiation and chemical contamination they had suffered, he began to research the Navy's culpability on Treasure Island.

Jim reported that, between 2003 to 2006, he remembered the Navy shoveling "dioxin-laden contaminated dirt" near the water line from the deepest, most toxic hole they were forced to dig.

A few years ago, he contacted former Navy Base Closure Environmental Coordinator Jim Sullivan, pressing him about the Navy's radiation and chemical remediation program. He told Sullivan, "Are you kidding me? You didn't do any survey of those houses for either (radiological or chemical) contamination. The crap came in on the feet of the sailors and the family members and the children playing out there."

In its second phase, the USS Pandemonium I became Pandemonium II. In 1970, the craft was relocated to her new position at the northeastern shore near the present site of the wastewater treatment plant, toxifying yet a second part of Site 12.

4 - HALYBURTON COURT IS RADIOACTIVE - TREASURE ...



0:00 / 9:11

Kathryn Lundgren takes us on a toxic tour through radioactive Halyburton Court.

Halyburton Court today

Since 1997, after the Navy decommissioning, when the military families exited the island, signs barking words like "Notice: Controlled Area" have designated Halyburton, and Bigelow Court next door, off-limits to the public. In February 2014, when Kathryn Lundgren and I videotaped the site, she stated, "In the Channel 2 investigative report, they mention this as being one of the hottest spots on the island."

"This is also where squatters come and live because they can get in here and not be seen (or) identified."

Particulate matter alone can cause lung problems, but radioactive particulate matter exponentially spikes the danger. Neighbors worry about radioactive dust from trucks and digging equipment blowing about and ending up in their yards.

I videoed a large earthmover inside the fence near Halyburton and Bigelow Court's toxic buildings, and Kathryn offered me her own footage "of them mowing the lawns back here ... and kicking up the dust."

She said they dumped into front yards the wood chips from trees they felled.

"They're actually taking ... the vegetation that they cut down and carrying it back ... in front of our homes. So, it's not a matter of them doing it and being careful. They're not careful at all."

Green dust fencing seems to appear and reappear capriciously around island hot spots. Kathryn testified that the fence covers we filmed were hung there at her urging after she showed officials her earlier footage to document dust problems.

"They put (covers) up, but the wind just kicks (them) up or tears (them) down."

Treasure Island authorities swear that when the trucks dig dirt out of Halyburton Court to be "dumped on the eastern side of the island," the vehicles are covered. Kathryn insists, however, that when they leave "it's just a tarp over the top," and the vehicles return uncovered.



This map highlights the most radioactively contaminated areas on Treasure Island.

It's a community concern. "These trucks are coming out the other side down Gateview Avenue, which is the main road for everyone. One slip-up, one piece – it only takes one atom, and that atom never disappears."

And, while Treasure Island sinks into the Bay about one foot a year, tides force the water table up through the soil.

Poking her boot down into the soggy grass and mushy dirt under our feet, she said, "Some of this stuff is really pretty flippy here (meaning, you can fall over walking through it). The cones are wet from sitting in it. So it's obviously a problem that the water table doesn't stay far enough down to where it can't affect us."

She peered through the mesh fence at pools of water on an old concrete court. Such flooding brings up whatever toxins are absorbed into her or her children's shoes. Inevitably, everyone drags contaminated groundwater into the house.

This reminded me of the January 1950 incident in which a 40-mg radium spill occurred in a Building 233 laboratory on the eastern side of the Island. Navy records showed that unsuspecting people carried the radionuclides on their shoes out of the building and into their cars, and that, 60 years later, as recently as 2010, California Department of Toxic Substance Control official Remedios Sunga expressed concern about radioactive residue left in the soil beneath the razed building.

I talked to people who stop in their cars after work every day to catch the stunning sunsets. With that kind of toxicity, one asks oneself what radioactivity do the frequent Treasure Island visitors carry off the island every day as they step out of their vehicle into their own driveway and walk into their home?

Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at carolharveysf@yahoo.com.



0

Login

Comments

There are no comments posted yet. [Be the first one!](#)

Post a new comment

Enter text right here!

Comment as a Guest, or login:

facebook

Name

Email

Website (optional)

Displayed next to your comments.

Not displayed publicly.

If you have a website, link to it here.

Subscribe to

Submit Comment

[BayView Classifieds - ads, opportunities, announcements](#)

[San Francisco Comcast](#)



MOI JR VALREY'S NEW
BOOK AVAILABLE SOON
FOR PRE-ORDER ONLINE!



UNFINISHED
BUSINESS
Black Reportin 2

Follow Us

Site 12: Treasure Island's
toxic bullets: Someone's about

Select Language

Powered by Google Translate

to get hit!

April 9, 2014

Like 9 Tweet 9

9

by Carol Harvey

IS TREASURE ISLAND RADIATION MAKING HIM ILL? 2...



0:00 / 7:50

Is Treasure Island radiation making Jim ill? Jim Serrano talks about the illnesses he's been having since he moved onto Treasure Island: polycythemia, a form of leukemia, unidentified liver disease and constant pain. He attributes some of his sickness to radiation releases on toxic Treasure Island.

Think of Treasure Island as an iridescent green glowing ghost ship whose prow divides the blue waves as it navigates San Francisco Bay waters girding northwest under the Golden Gate Bridge. On the tidy froth lawn of your market rate or low income Site 12 rental brought to you courtesy of The John Stewart Co., it is as if you are standing at the bow of the radioactive vessel as it carries its toxic contents ever forward into a stunning red-gold sunset. Imagine the vessel sliding toward Japan bearing the U.S. Navy's gift of Treasure Island toxic soup to mix with irradiated [ocean water from the Fukushima Daiichi Nuclear Plant, perhaps detectable along the California Coast by April 2014](#).

On a recent warm spring night, I walked to the Berkeley side of Site 12 by the fire training station, plopped down in a chair in the Fat Grape Winery next to a sign reading, "Group therapy practiced here," and, over a glass of delicious, red, sulfite-free cabernet sauvignon, sat shooting the breeze with wintr Patrick Bowen.

"Patrick, I have to give you credit for having Fat Grape signs everywhere," I said.

"I have a lot of signs," he replied laughing. "How else can you find me? I'm in the northwest corner of Treasure Island inside of an old prison. This is the Navy Brig."

Patrick is one of several small business owners who are as friendly as his Site 12 neighbors. Later, when I lost my way to Gateview Avenue to catch the 108, an African-American elder with a kind of awesome gentility noticed my confusion and offered directions. It's a small town. Everyone knows everyone. Site 12 people are friendly to neighbors and strangers. It's remarkable how they take care of and love each other.

The Site 12 community seems warehoused on extremely valuable, dangerously poisonous property. These sweet people, bombarded from every direction by radionuclides, chemicals, and asbestos, lead and mold contaminants, appear to be placeholders until Lennar can populate the island with condos for 19,000 high end renters.

Potentates' political pawns

Some speculate Site 12 residents are pawns in a political game officiated over by power-brokers so high in the sphere, you and I will never see them – a viperous nest of incestuously connected wealth – Nancy Pelosi, Willie Brown, Gavin Newsom, Darius Anderson, Bob Berkel and Mayor Ed Lee, who finally [did the deal for a Treasure Island eco-village](#).

Interests connected to TIDA, the Treasure Island Development Authority, a mysteriously-formed corporation that runs the island, have raked in millions from rent – but plan to make billions.



Treasure Island children attended Treasure Island Elementary School before they began to be bussed to San Francisco. Quinn Lundgren, Kathryn's older daughter, is second from left

TIDA's public relations brainchild, Treasure Island Homeless Development Initiative (TIHDI – say “tie-die”) offers compassionate services – a food bank, subsidized housing and job placement – to low-income, pre-homeless, homeless, disabled and “recovering” San Franciscans.



Treasure Island resident Walter Johanson hard at work – Photo: Carol Harvey

A condescension-tinged message smacking of institutional classism traced by a finger in wet cement outside TIHDI's Ship Shape Community Center, which hosts a weekly food pantry, at 850 Avenue I, orders supplicants to stand behind a line outside and “Wait here until called.”

Under the TIHDI umbrella, Swords to Plowshares offers vets “transitional housing.” One veteran reported he knew about the radioactivity. How? I asked. He answered, “The water tastes nasty.” There is a fine irony in the Navy's offering a vet, recovering from a failed attempt to medicate war-induced trauma with drugs, a recovery place saturated with opportunities for radiation sickness, chemical poisoning, asbestosis or black-mold-induced respiratory illness.

Toolworks' attractive webpage offers prospective employers a disability “workforce.” Community members, however, report working low-level jobs involving little skill-building or training.

TREASURE ISLAND SUCCESS STORY! YOU'LL LOVE IT!!!



0:00 / 6:08

Meet Walter Johnson, an enterprising and busy man. After prison, he sprung himself from a homeless shelter, to a job, to free housing into paying his own rent. Now he works, and, in his free time, helps distribute food to Treasure Island families through the Haight Ashbury Free Clinics. After that, he exercises at the Treasure Island YMCA.

A community of poor people is living in buildings left to ruin. TIDA and TIHDI seem to be warehousing impoverished people in an aging, neglected infrastructure. The homes of people residing in buildings constructed in the 1940s and 1950s are literally making them sick.

There are suspicions that lead or heavy metals leaching from inside aging pipes could have caused a rash of gall-bladder removals. Childhood respiratory diseases are rampant.

As they sicken and die, low incomes trap and intimidation paralyzes them. Some fear that complaints about 70-year-old water pipes or black mold in bathrooms might lead to retaliatory evictions by subsidized housing “benefactors” at Catholic Charities, Community Housing Partnership, San Francisco Housing Authority or by The John Stewart Co., the market rate rental master.

A community of poor people is living in buildings left to ruin. TIDA and TIHDI seem to be warehousing impoverished people in an aging, neglected infrastructure. The homes of people residing in buildings constructed in the 1940s and 1950s are literally making them sick.

TIDA and naval personnel have said that redevelopment will change all this. One gets the sense infrastructure is being neglected because those in charge believe it will all be plowed under anyway.

Pandemonium, Mordor, fires

Embedded within Site 12's 90-acre body like cancerous tumors lie three major subsites, Halyburton Court, Site 31 and Site 6. Under a mandate in the [Federal Installation Restoration Program](#), the Navy has for years been forced to locate and remediate radioactive and chemical contaminants from these three Site 12 locations. The work is scheduled for completion by 2018.

After the Navy abandoned the area as an ammunition bunker and storage yard, many Site 12 structures sit dilapidated, bearing lethal levels of three more toxins: Asbestos, lead and mold, as an added bonus, lurk in Site 12 roofs, exterior paint and interior building walls.

On March 7, 2014, San Francisco Fire Department Assistant Deputy Chief Ken Lombardi announced he was evacuating firefighters from Station House 48, 849 Avenue D at 10th Street, to new quarters at the fire training facility, 600 Avenue M. The firefighters' union complained that rain through leaky windows had created such dangerous levels of black mold the station's interior walls that men were getting headaches and waking up at night. Asthma, chronic congestion and respiratory diseases have also been reported widely among townhouse residents nearby.

Neither the Navy nor TIDA has stated officially it is attending to the cleanup of these additional dangerous substances, which pose a serious public health risk to people living and working on Site 12.

Halyburton Court – Pandemonium's radiation poisoning: Situated at Treasure Island's southeast end, Halyburton Court hosts phantom children trapped forever in silent trauma. A father of a 1970s military family shudders recalling the innocent play of children as their bodies were bombarded by radioisotopes along the shoreline near the highly radioactive USS Pandemonium I. (Pandemonium is the capital of Hell in John Milton's "Paradise Lost.")

Halyburton Court is so toxic that after the Navy decommissioned it in 1997, it was cordoned off and San Francisco's new low-income residents were never allowed in.

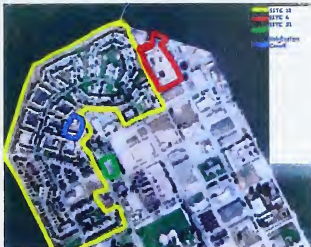
Site 31 – Mordor: In 1999, civilian families began to populate Site 12. Just inland, eastward from Halyburton Court, kids from the nearby elementary school and Boys and Girls Club began to take play periods and run track on a large asphalt area on Site 31.



Around 2005, this lighthearted exercise stopped. The Navy fenced off the space, dug a 10-by-40-foot-deep pit at its southeastern end and began carting out truckloads of tarp-covered toxic and radiologic material.

Radioactive dust and possible chemical contaminants blew from the trucks into adjoining neighborhoods around the Gateview Avenue and 11th, 12th and 13th streets.

Ocean winds gusting from the northwest to the southeast off the Bay across Halyburton Court and Site 31 through a toxic tunnel toward the Oakland Bay Bridge's span seem to have killed all the trees and vegetation along a narrow wind-lane over a former elementary school, a vacated Boys and Girls Club and an operating daycare center.



On this map of Treasure Island, the most toxic cleanup sites are outlined and color coded.

Subsite 6 – setting fires to put out fires: Behind a chainlink fence on the northern border of Site 6, across Avenue M from the island's wastewater treatment plant, the Navy continually moves a conveyor-belt-like trail of thousands of large boxcar-shaped containers full of radiologically toxic materials. As of May 2013, these containers were shipped off-island to a nuclear dumpsite in Clive, Utah.

Site 6 is also historically significant as the locus of a 1950s fire training school, where toxic oil-based materials that firefighting trainees employed to snuff out blazes were casually dumped in its soil.

Additionally, in 1969, USS Pandemonium I, the Navy's fake nuclear war training ship, was moved from her western position at the Halyburton Court area around the Island's western shore eastward into its second incarnation as USS Pandemonium II.

When the Navy docked the ship next to the seismically unsafe water treatment plant built in the 1950s, her radioactive discharges were left to affect a second Site 12 sector, especially dangerous in the event of earthquake or water rise which could flood the area with both raw sewage – not good – and radioisotopes and chemical contaminants – infinitely worse.

Fifty years of Naval activity polluted Site 12 with a horrifying list of radioactive materials. Breathing, touching or ingesting any of these substances will continue to produce ionizing radiation that can create enough energy to break apart and re-bond with atoms inside the human body. These processes can go on for years deforming tissue and causing cancers.

In addition, the Navy is responsible for the below list of radioactive materials, chemical contaminants, as well as asbestos, lead and dangerous mold in air, soil and groundwater under and within Site 12 homes.

List of horrors

In 2001, at an international convention in Stockholm, Sweden, a treaty was signed banning the production, import, export, disposal and use of "the dirty dozen," a group of 12 chemicals the United Nations considers the world's most dangerous pollutants. These are aldrin, chlordane, DDT, dieldrin, endrin, heptachlor, mirex, toxaphene, polychlorinated biphenols (PCBs), hexachlorobenzene, dioxins and furans.

Of these 12, eight – DDT, polychlorinated biphenols (PCBs), Benzenes, dioxins, furans, heptachlor, dieldrin and endrin, both components of dioxin – are currently present in Treasure Island soil, water, air and structures.

DDT, dichlorodiphenyltrichloroethane: Inhaling the pesticide DDT leads to long-term kidney and liver diseases, cancer and short-term death.

PCBs, polychlorinated biphenyls: While Naval personnel waffle on the cause of Site 12's astronomically high PCB levels, Jim Serrano and his family live with his painful liver disease every day on Bayside Drive. Environmental Protection Agency studies found PCBs highly suspect for liver and skin cancer. Used as transformer, capacitor and electric motor coolants, PCBs were banned by Congress in 1979.

Fifty years of Naval activity polluted Site 12 with a horrifying list of radioactive materials. Breathing, touching or ingesting any of these substances will continue to produce ionizing radiation that can create enough energy to break apart and re-bond with atoms inside the human body. These processes can go on for years deforming tissue and causing cancers.

Benzene: Benzene, a carcinogenic constituent of crude oil and gas, is a widely used petrochemical solvent. My father would not have chain-smoked or used a benzene-based spot remover, Renzit, to dry clean his suits had he known it caused leukemia. In an orgy of industrial burning, the Navy sent oil-generated benzene fumes boiling out into Treasure Island air from burn pits and incinerators in and



"An imitation of an atomic blast's mushroom cloud was created on Treasure Island in 1957 as the Navy set off a mock nuclear explosion for scientists at a symposium on modern warfare" is the Chronicle's caption for this photo in a Nov. 13, 2013, story titled "Radiation worries on Treasure Island." – Photo: Bill Young, San

Over time, benzene remains in dirt as soot, continuing to emit fumes, especially as high island water levels dissolve dry benzene soot in wet soil.

Scientific evidence proves that benzene weakens the immune system and causes leukemia, aplastic anemia and breast cancer. Inhaling benzene vapors can damage reproductive organs and produce infertility. At least one Treasure Island teenager has recurring ovarian cysts. Residents, present and past, have reported miscarriages and hysterectomies.

PAHs, polycyclic aromatic hydrocarbons: Through the 1970s, PAH-laden smoke wafted across Treasure Island homes as sailors routinely set fire to a wide variety of materials in burn pits and incinerators in multiple spots around the island. PAHs consist of hundreds of carcinogens, products of incomplete burning of coal, gas and garbage, tobacco or charbroiled meat released as soot or attached to fine particulate airborne matter, settling in soil or on surface water. Touching or breathing PAHs mixed with other chemicals appears to cause skin, stomach and lung cancer.



Treasure Island residents Pandora and her grandchild – Photo: Carol Harvey

Dioxins, polychlorinated dibenzodioxins: In the worst five of “the dirty dozen” world’s worst chemicals, dioxins include a class of 75 chemically stable, organic proven carcinogens, produced when the Navy burned waste containing chlorinated plastic – IV bags, gloves or oxygen tents. A burn pit was discovered recently on Bayshore Avenue near a family suffering severe health effects.

Dioxins’ chemically stable, organic pollutants store persistently and permanently in the food chain and in children’s fatty tissue, especially females. As their bodies convert it to growth material – bone, muscles, tissue, brain – it is eventually passed into their offspring. Ingested by eating over-heated meat, dairy products, fish and shellfish, dioxin is suspect in liver, lung, stomach, soft tissue and connective tissue cancers, non-Hodgkin’s lymphoma and the weakening of the immune system. Dioxin is a hormone disruptor producing genetic defects, reproductive and developmental problems.

Arsenic: Arsenic is found in herbicides and pesticides. Made notorious by film director Frank Capra and actor Cary Grant in the black comedy, “Arsenic and Old Lace,” arsenic is mixed by two old women into their elderly wine to perpetrate mercy killings on lonely old men, although the rather unmerciful symptoms include stomach pain, diarrhea, vomiting, vertigo, delirium, shock and death. If they had survived, they’d have died of cancer.

Lead: Lead-based paint can be seen chipped off the exterior walls of many abandoned Navy buildings – structures built in the 1940s and ‘50s roughly 30 years before 1978, when the U.S. government banned lead paint. Teens play in the yard next to a tuition-free charter high school, the Life Learning Academy, at 651 Eighth St., immediately west of a long row of buildings on Avenue M covered with old, badly flaking paint fragments blowing around in the island’s high winds. Exposure to lead’s heavy metal component could damage their nervous systems and kill their brain cells.

Radium 226: Painted on glow-in-the-dark “buttons” buried in Treasure Island soil to be found by naval trainees with geiger counters, radium 226 is a highly unstable radioactive element which decays into an inert gas called radon. If built up in lung tissue, Radon could cause cancer.

TPH, total petroleum hydrocarbons: Fossil fuels, petroleum distillates and natural gas can suffocate people in high concentrations, cause nausea if swallowed and tissue swelling and edema if inhaled. When burned at the former fire training station on Site 6, TPHs caused soot to form in soil. With the rising and lowering of the island’s high water table, TPH soot may have sunk into groundwater. This was a subject very much under discussion during the March 12, 2014, public meeting covering the Navy’s Remedial Action Plan Proposal.

VOCs, volatile organic compounds: Open burning can expose people to harmful volatile organic compounds causing respiratory and heart problems, eye, nose and throat irritation, headache, incoordination, nausea, and central nervous system, liver and kidney damage.

Cesium 137: In the 1950s, highly radioactive cesium 137, a byproduct of nuclear fission, was released in a Building 223 accidental nuclear material spill. It’s all over the playgrounds. It is highly radioactive and very dangerous. A shorter half-life of 30 years makes it a stronger emitter, throwing off radioactive atoms faster. Yet it is persistent in the environment and works its way up the food chain.

Bullets from all directions

When there are so many variables, it is almost impossible to win a legal battle by drawing a straight line between its environmental cause and a disease. In this case, the gap has been narrowed by multitudinous environmental hazards. Anyone living in Site 12 over a year who escapes illness could make a killing in Reno. Bullets are flying from so many directions, not being hit is unlikely.

Occupants wonder why the Navy has not provided empirical data with a longitudinal study of former military occupants’ current health status. They are the population in whom the more severe symptoms would be surfacing now. Do they fear what they will find? Kathryn Lundgren believes they do.

Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at carolharvey@vahoo.com.



Comment (1)

rt by: [Date](#) [Rating](#) [Last Activity](#)

John Duzack · 3 weeks ago

Another case of Military Madness and Shameful Government Inaction. The more I see of the way the USA treats its poor, the more shameful the Government should be on all side of Politics. Is it any wonder the USA has so many people with illnesses and Cancer. Our living environment is so important, having clean unpolluted air, soil and water. These are paramount to good health, but if your poor too damn bad. I bet the rich

Login

[News](#) [Sports](#) [Business](#) [A&E](#) [Food](#) [Living](#) [Travel](#) [Columns](#) [Cars](#) [Jobs](#) [Real Estate](#)[Find](#) & [Save](#)

Mold becomes latest health concern on Treasure Island

Marisa Lagos

Updated 5:25 am, Sunday, April 20, 2014

The people who live and work on Treasure Island aren't only plagued by soil contaminated with radiation and toxic substances: An increasing number of residents and workers are complaining about mold and dampness in buildings on the decades-old Navy base and questioning whether their health is at risk.

Kathryn Lundgren, who says her family is beset with chronic health conditions, has complained for years about mold in both bathrooms of her Treasure Island home, as well as leaks over the kitchen sink. Resident Sandy Agee said she has smelly, soggy carpets and drywall from when her apartment flooded three weeks ago, but so far the property manager has made only cosmetic fixes.

And in March, San Francisco firefighters stationed on Treasure Island were forced to move out of their firehouse and into a nearby training facility because of extensive mold growth at the aging firehouse.

The mold issues are just the latest potential health challenge for residents of this small island in the middle of San Francisco Bay that was a Navy base from 1942 to 1997.

State law requires landlords and employers to clean up mold, which exists nearly everywhere, but is linked to asthma, allergies and other respiratory issues when concentrated in buildings. It's not clear how pervasive mold issues are on Treasure Island - city officials said they do not believe it is widespread. But the city has also been reluctant to spend much money updating the island's half-century old infrastructure since the base is scheduled for redevelopment.

Moved for cleanup

City officials began housing residents, many of them low-income, in former military housing 15 years ago while the Navy's extensive cleanup of the island got under way. The soil under that housing has long been known to be contaminated with PCBs, metals and other toxic substances from when it was used as a trash pit. Starting in 2007, Navy officials also began discovering radioactive contamination near where the nearly 2,000 families reside.

Last month, the Navy announced that it would test all of the homes on Treasure Island for elevated radiation levels in response to increasing public concern.

It's with that backdrop that the mold issues have cropped up. While city officials say they and the property managers and nonprofits that oversee housing on Treasure Island have acted swiftly when they were informed of mold and dampness, residents and firefighters said that hasn't always been the case.

Lundgren said Praise, her 13-year-old daughter, was diagnosed with asthma about a year ago and began struggling to breathe at home during rainy days in December. Lundgren has also had some breathing and congestion problems in recent months, she said, and finally pushed the property manager hired by the city, the John Stewart Co., to pay to have her unit tested for mold. After those tests by a company called PSI came back with low spore counts, she had the apartment retested by another company, Indoor Restore Environmental Services, which found elevated levels of mold spores in several areas of her home.

'Just paint over it'

"I have reported it maybe 30 times or so over the last 10 years," said Lundgren, one of the island's most outspoken residents about health concerns. She has lived there since 2004. "They would come in and paint over, I would complain and they would just paint over it again and tell me it's fixed. Then it would come back again."

Dan Stone, the John Stewart Co. property manager assigned to Treasure Island, referred questions about Lundgren's home to the Treasure Island Development Authority, the city agency that oversees the island. The authority development director Bob Beck said John Stewart Co. is offering to move Lundgren and her family to another unit on the island while it repairs her unit.

"We haven't seen a pervasive (mold) problem. This appears to be an isolated maintenance issue in this unit, but it's certainly something we would continue to track," he said.

Lundgren is still discussing her options with officials from the city and John Stewart Co., and said she is weighing her next step.

Just masks the smell

Agee, who lives in subsidized housing managed by the nonprofit Community Housing Partnership, said Beck also offered to have her home tested for mold, something she said she would like to see happen.

Mostly, however, Agee said she'd just like to see the city or Community Housing Partnership replace her carpet and the drywall in her downstairs bathroom. Maintenance workers from Community Housing Partnership have cleaned the carpet several times, she said, but it just masks the smell for a few days.

"You can see soft spots in the walls, and if you poke it, which I have, your finger will poke through walls," she said.

Fire station affected

Similar issues cropped up over the years at Fire Station 48 on Treasure Island, said Ray Chavez, a firefighter who has worked there for nearly a decade.

In 2010, the California Division of Occupational Safety and Health cited the fire department for water leaking into the captain's bedroom, the TV room and the cubicles in the upstairs dormitory, as well as water stains and "a strong musty/mold odor" in the station. Cal/OSHA also cited the department for not dealing with "peeling, blistering" lead paint in the station.

Lt. Mindy Talmadge, a Fire Department spokeswoman, said all of those violations were corrected four years ago.

Mold back and worse

But the mold seemed to return and worsen again this year, Chavez said.

"There have been leaks throughout the house, especially in the TV room, where we are at (a lot). It got into carpet, and the smell started to get to us - we started pulling back carpet and could see black mold," he said. "Sometimes in the morning, when we would get up, all of our sinuses were whacked up, we had irritation in our throats - it was pretty common over there."

Talmadge said when firefighters notified the department a few months ago of the mold in the carpet, it was "removed and replaced." When the department was told that the mold was returning, the department had it professionally inspected and tested, she said.

Firefighters removed

"When the results (showing extensive mold problems) came back, the members were moved out within 24 hours," she said.

That was five weeks ago. The firefighters are now temporarily stationed at a building that has historically been used as a Fire Department training facility; they are sleeping in the classrooms. But Chavez said there was also mold that had to be cleaned up in that building and leaks that had to be repaired.

Talmadge said the department has determined that the costs to fix Station 48 are "beyond what would be reasonable," so the department is instead purchasing a modular structure to serve as a temporary fire house until the redevelopment of the island is completed, which could be more than a decade away.

Supervisor Jane Kim, whose district includes Treasure Island, said uncertainty over the redevelopment timeline has been a major issue for people who live and work there. In 1999, when the city began moving residents onto the former Navy base, she said, officials thought they would be constructing new housing by now.

"Treasure Island is saddled with aging housing and barely any infrastructure and a promise that development would have been built by this point," she said. "Everyone is afraid to invest money because ... they don't want to pay for something that will have to be torn down. I think at this point, we just have to invest."

Kim said she plans to meet with firefighters soon to discuss their challenges and is working with the Treasure Island Development Authority on a plan to relocate residents who no longer want to be there.

"We can't expect residents to continue to be so patient," she said. "If people want to leave, they should be able to leave."

Marisa Lagos is a San Francisco Chronicle staff writer. E-mail: mlagos@sfchronicle.com Twitter @mlagos

© 2014 Hearst Communications, Inc.

HEARST newspapers



Mold Worries Treasure Island Residents, My Cleaning Products Suggests Two Mold Sprays for a Complete Help to Kill Mold and Prevent Its Return

PRWeb

Published 7:00 am, Tuesday, April 22, 2014

0 0 0

Tweet Like 3+1

☐ Larger | ☐ Smaller

☒ Email This

☐ Printable Version

☐ Font

The mold problem in Treasure Island was troubling the residents, said a report. Wanting to help, My Cleaning Products recommended two sprays to effectively and safely kill mold and prevent its return.

San Francisco, CA (PRWEB) April 22, 2014

The residents of Treasure Island in San Francisco were getting worried of the mold problem in the area. In response to it, My Cleaning Products recommended two organic-based mold removal sprays to help the public kill mold effectively and prevent its recurrence.

Based on a report from washingtontimes.com posted on April 20, 2014, the fungus was growing on the aging buildings of the former base. And because it is linked with various health problems, landlords and employees of Treasure Island are required to clean it, it relayed.

As the post related, the San Francisco officials said that they had acted swiftly whenever a mold problem is reported to them. However, one island resident said that she had complained about the mold in her two bathrooms and kitchen for years, it shared. In response to that, officials asked her and her family to transfer to a different unit while hers was being repaired.

Last March, severe mold problem at a firehouse in the island forced firemen to relocate, the report additionally shared.

Here is an excerpt from the said post.

"A growing number of residents and workers on Treasure Island are complaining about mold in aging buildings on the former Navy base in San Francisco Bay."

"People who live and work on the small island, which is part of the city of San Francisco, questioned whether the mold is affecting their health, the San Francisco Chronicle reported Sunday."

Mold has been linked to minor and major health problems. Hence, it is surely a big risk to anyone's health, My Cleaning Products concluded.

Because of those health threats, MCP asserted that it is imperative to get rid of mold as soon as possible. That way, the worst of its health, structural and financial effects could be prevented, it stated.

Most Popular

1. Obsolete tech that's still hanging on
2. PayPal's Rocky Agrawal, and other tech execs fouled by technology
3. What does San Francisco still need?
4. Robert Redford's former Tiburon home up for sale
5. SF GIANTS UPDATE: Matt Cain comes clean on sandwich caper
6. Will the 49ers make a deal to move up in the draft?
7. Las Vegas casino bosses dismiss Ben Affleck ban

You Might Also Like



5 Best Car Work
Wash
Insider Car News

Small World
N.C.
Hollywood

To be able to do that though, it cited that the help of mold removal sprays is needed. And among the ones in the market, it asserted that Molderizer and Safe Shield are the best anyone could get. As it reasoned, that's because together they offer a complete mold treatment, which includes the elimination of the spores and prevention of their return.

In addition to that, both Molderizer and Safe Shield are organic-based. And so, apart from making the whole process easy by eliminating the need to scrub for hours, they also make it safe. That's because the spraying of them leave no chemical residues that are harmful to health.

To personally see how well they work, MCP urges everyone to try the Molderizer and Safe Shield Complimentary Samples at mycleaningproducts.com.

For the original version on PRWeb visit: <http://www.prweb.com/releases/kill-mold/04-21-14/prweb11783093.htm>

The End of the "Made-In-China" Era

The 21st century industrial revolution has already begun. All because of an incredible invention that's made in America.

Business Insider calls it "the next trillion dollar industry." The Economist compares its impact to the steam engine and the printing press. And technology experts — like the guys who brought you the BMW 3-series, the F-35 fighter jet, and Amazon.com — think it could be "bigger than the internet."

A new investment video reveals the impossible (but real) technology that could make you impossibly rich. Watch it now, before the skeptics on Wall Street wise up and start looking for their piece of the action. Just enter your email:

Enter email address...

Click Here, It's Free!

Terms And Conditions
Sponsored By The Motley Fool

Printable Version

Email This

Like

Tweet 0

g+ 0

You Might Also Like



BlackRock



The Fiscal Times



Zagat



She Budgets

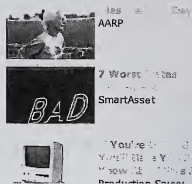
From Around the Web

- EscapeHere
- Lonny Magazine
- Wall St. Cheat Sheet
- Bills.com
- Us Weekly
- Wall St. Cheat Sheet

We Recommend

- (News)
- (News)
- (SFGate)
- (SFGate)
- (SFGate)
- (News)

Recommended by



San Francisco Chronicle

On SFChronicle.com



Mission lowrider show a tribute to neighborhood

Cal's disabled students program unites State pioneers society moving to Presidio Jenkins: Crack in Mark Jackson's veneer

Subscriber? It's yours!

Activate for access to SFChronicle.com!

Activate!

Photo Galleries Displaying 1-3 of 40



Day in Pictures,
May 5, 2014

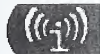


GLAAD Media
Awards 2014



Unique
California
hotels





About Contact Subscribe Calendar Publish Print Donate

Regions

north coast
central valley
north bay
east bay
south bay
san francisco
peninsula
santa cruz
california
us

International

Topics

animal lib
anti-war
arts + action
drug war
education
en español
environment
global justice
government
health/housing
immigrant
media
labor
lgbt / queer
police state
racial justice
womyn

International

americas
haiti
iraq
palestine
afghanistan

More

make media
get involved
calendar
gallery
archives
chat
links

[printable version](#) - [fixed-width version](#)

San Francisco | Environment & Forest Defense | Health, Housing, and Public Services

Treasure Island Revisited

by Michael Steinberg ([blackrainpress \[at\] hotmail.com](mailto:blackrainpress[at]hotmail.com))

Tuesday Apr 22nd, 2014 1:30 PM

A recent visit to San Francisco's Treasure Island reveals how much of its treasure is toxic, and how badly its residents are threatened.

In early April I once again visited Treasure Island, the former Navy base near the Bay Bridge smack dab in the middle of the SF Bay. I'd last been there in late March with Sandy LeonVest, editor of Solar Times.

Numerous media reports of late have documented the literal unearthing of radioactive materials in and around residential housing—originally built for Navy enlisted personnel and their families—on the northwest side of Treasure Island.

My own contributions to this growing dossier includes " Hot Spots: Radioactive San Francisco," which appeared on the front page of the January edition of SF Bayview newspaper.

Over 2000 people are living on Treasure Island these days. Many of them were low income or homeless folks when they moved into the old enlisted personnel quarters a decade or more ago.

Today their homes are threatened by surfacing information about radioactive hot spots and other toxic materials in their environment, as well as pressure building to clear them out to make way for the construction of luxury housing on the island by the likes of Lennar corporation.

As before, I was carrying addresses located in this northwestern part of the island.

I'd obtained these addresses from a Bay Area NBC TV Investigative Unit report from December 12th of last year That report stated that the addresses were sites where residents would be forced to move from, starting in April of this year. The official reason for these evictions was arsenic contamination of their homes.

But the Investigative Unit also reported that all of these sites were on or next to "a newly identified radiologically impacted site."

Earlier than this, on November 27, 2013, KTVU, Channel 2, reported, "24 Treasure Island families received notices that they will have to relocate." One of these residents, Tony D., said he found his notice "stuck to his front door."

The letter stated that the eviction notices "were not related to the ongoing radiological survey of Treasure Island." Also in the KTVU report, Robert Beck, head of the Treasure Island Redevelopment Authority, said the six buildings where the 24 families were then still living might have to be demolished.

Meanwhile, on March 25th the Navy, which still owns the residential buildings on TI, announced that it would soon begin testing them for the presence of radiation.

Search

Donate

Help support
grassroots
independent

So this was how the stage was set when I returned to Treasure Island with a photographer friend on April 7.

Hazardous, Radioactive, Boarded Up, Keep Out

We first proceeded to an area adjacent to 1325 Gateview Drive, one of the addresses on the eviction list. Gateview Drive is a thoroughfare that runs near much of the 'radiological impacted' areas on the island, and includes two other addresses on the eviction list.

We stopped near an excavated area off Gateview. On my previous visit we'd noticed it, because Hazardous, Radioactive and Keep Out signs were all over fencing adjoining the area.

The excavated grounds appeared to have been the former green space between two derelict boarded up apartment buildings on either side of it.

We pulled over and spotted someone with a camera. This turned out to be another associate of Solar Times. She informed us that, unlike the last time I'd been here, there were active workers in the area. The workers had told her to stop taking pictures of it, and them.

We mulled that over and then started taking snaps, discreetly. Was this the "recently identified radiologically impacted site? It certainly appeared to be. Above it was a dirt road that ran along the Bay. But it was fenced off, the fencing festooned with warning and get lost signs.

From there we moved on to a number of other sites off Gateview Drive. With one exception, all were on the eviction list. First was Mason Court, where on my last visit we'd spotted a number of apparently vacant units. There were still all there, all still looking empty.

We went around to the back of the buildings and found the same dirt road we'd just been on, where it was fenced off down the way. We tracked back down it, to where it was blocked off, with all the cautionary signs abundant. This provided another vantage point to look down on the "hot" area. A few workers in hardhats started heading our way, perhaps the same camera shy ones our associate from Solar Times had run into.

We decided to exit stage left, playing sightseers. "Oh look, there's Angel Island, you can almost reach out and touch it. "And that, that must be Alcatraz." "Wow, The Rock!"

We proceeded on to two circles off Gateview, Bayside Drive and North Point Drive. Residences along Bayside Drive, with perhaps 100 units, appeared mostly boarded up. But it has been reported that Kathryn and Eric Lundgren and their three teens still live on this street.

Kathryn Lundgren is a founder of the Treasure Island Health Network and has been an outspoken critic of the Navy's negligence and indifference in dealing with the toxic substances in Treasure Island residents living environments. Pretty much everyone in the family has experienced health problems they believe are linked to Treasure Island's polluted landscape.

The Navy's recent decision to test all the island's residences is at least in part motivated by Kathryn Lundgren's' repeated recent reports in the media about the discovery of highly radioactive radium in her yard in a spot where her children used to play.

After circling Bayside, we did the same on North Point Drive, which looked to have about as many housing units as Bayside. North Point didn't appear as derelict as Bayside Drive, but neither was there much activity.

We had one more spot to visit. It wasn't on the eviction list, but was also revealed in the NBC Investigative Unit report last December.

That was 1101 Bigelow Court, also a short jaunt off Gateview Drive. The NBC story reported that site had been found to be super hot, so much so that it was a million times more radioactive than allowed by the Environmental Protection Agency for habitation. Supposedly when this discovery was made, no one was living there.

When we found the entrance to Bigelow Court, it was blocked off and locked up, similar to what we'd seen before, complete with all those signs. After gazing at this spectacle for a bit, we followed our noses and eventually came in sight of Bigelow Court from its other side. It was fenced off there too, but allowed us to look in on the site.

Determining which unit was 1101 was difficult. All the Bigelow buildings in sight were boarded up tight. But there was a sizable rip in nearby chain link fencing, that would allow anyone easy access.

This approach to Bigelow Court was adjacent to another closed up facility, the Treasure Island Boys and Girls Club.

The February 14 SF Chronicle this year reported, "The Boys and Girls Club of San Francisco had concerns about having kids near a cleanup site and in November (2013) decided to shutter its Treasure Island center until the work is over. Until its closure, the area was next to a fenced-off area plastered with contamination signs that for months was covered with piles of dirt topped with green dust-control spray. Nearby is another plot of deep pits filled with water."

How much radioactive dirt has the Navy hauled off Treasure Island, and to where?

On December 26, 2012, the East Bay Express reported, "very little information has been publicly released on the eight hundred plus truckloads of radiologically contaminated soil that were shipped off the island in recent years."

On April 9 SF Bayview reported, "There have been several (high radiation) shipments and about a thousand intermodal (containers) of radium waste shipped from Treasure Island. In the two years since 2012, many more have been shipped...As of May 2013 these rectangular caskets were reported being shipped off-island to a western toxic dump in Clive Utah," where they become someone else's problem.

But all that matters little to the residents of Treasure Island, where the problem is right at home.

[Add Your Comments](#)

Lee doesn't think contaminated Treasure Island is unsafe, has no plans to move residents

Posted on Tuesday, April 22 at 3:34pm | By Marisa Lagos

PRINT 22

Mayor **Ed Lee** is concerned that some Treasure Island residents don't feel safe living on the former Navy base but doesn't think anyone's health is at risk, despite mounting evidence that radiological contamination is far more widespread than authorities initially said.



A radioactive dial was dug up from in front of this Treasure Island home in January.

Lee is also not convinced that the city — which is responsible for the 2,000 families living on Treasure Island, many of them formerly homeless — needs to move people off the island. Supervisor **Jane Kim**, whose district includes the island, last week told *The Chronicle* that she is in discussions with the city agency that oversees the island on possible relocation plans for residents, who are also raising concerns about mold problems in the decades-old housing. Lee said he is “buoyed” by the

Navy's recent decision to expand radiological testing to all of the homes on the island. Since 2007, when the first radiation contamination was discovered on Treasure Island, Navy contractors have consistently found more and more radioactive items buried near housing. The latest discovery was in January.

Lee said this “much more thorough investigation” will “calm everybody down.” “I certainly am concerned about anybody living somewhere they feel is not safe, especially with the families, and what was discovered with the particles in the yard,” he said. “But so far, too, I have got to listen to experts there, and the medical experts say they don't see widespread contamination going on.”

Treasure Island was a Navy base until it closed in 1997. Two years later, the city began moving residents into the former military housing there. In addition to radioactive items — likely left over from the decontamination of radioactive ships and from items covered in radioactive paint — the soil underneath the housing is contaminated with leads, PCBs and other toxics.

Critics have accused city officials of underplaying the contamination issue because they do not want to scare off investors as they attempt to redevelop the former base. Lee said he isn't ready to move anyone.

“People feel a little bit uneasy because it's going on, but at the same time that uneasiness doesn't necessarily translate into moving out people at this point,” he said. “I think everybody is going to embrace a thoroughly confirmed study so they know

going forward that they can live in the area or they can move away from the areas that have some questions. I have got to let the science let us know and I do trust that they will have a thorough investigation, and I'm glad they are doing it."

Categories: Health programs , Homeless issues , Housing , Living here , Mayor Ed Lee | More



Mayor Ed Lee speaks with The Chronicle editorial board Tuesday morning.

PRINT 92

You Might Also Like



4 Surgeries to Avoid Tornado Deaths That Will Keep You Awake

AARP



With Rain You Away

Eaton



Surprising Abraham Lincoln

Ancestry.com



You Will LOVE These Great Guilty Dogs

Rant Chic

From Around the Web

- [Flying More Space on a Plane](#) (Boeing: Build Something Better)
- [The must-visit cheap all-inclusive resorts everyone is talking about](#) (Trip Curator)
- [26 Pics That Prove Jennifer Aniston Is Better than Angelina Jolie](#) (Rant Chic)
- [Easy Macaron Recipe For a Girls Night In](#) (Foodie)
- [What to Say When Someone's Making an Unlucky Attack](#) (Health Central)
- [Jennifer Jolie Catcher's Off Cue With Teacher Shouting Announcement](#) (Elizabeth Street)

We Recommend

- [More than four sex cited in fatal](#) (News)
- [New report: charged to crash that killed wife](#) (SFGate)
- [Floyd Mayweather Jr. wins a rough fight](#) (News)
- [George Michael, 39, shot troopers from behind](#) (News)
- [Power: 200,000 people agree: Giants over Patriots](#) (SFGate)
- [Scientists announce to the world: Gulf catch of second-ever giant shark](#) (News)

Recommended by

(92) Comments

powered by:
viafoura

Write your comment here

Record video Upload video Upload image

Submit

[Support SF BayView](#)

[Donate or Subscribe to SF Bay View](#)

**MOI JR VALREY'S NEW
BOOK AVAILABLE SOON
FOR PRE-ORDER ONLINE!**



**UNFINISHED
BUSINESS**
Black Reportin 2

Follow Us



**Treasure
Island**

Select Language ▼

Powered by [Google Translate](#)

whistleblower fighting retaliatory eviction

April 26, 2014

Like 100 Tweet 7

27

by Carol Harvey

The City of San Francisco appears to be launching a discriminatory retaliatory eviction targeting its Treasure Island toxin whistleblower, Kathryn Lundgren, and her family.



Treasure Island residents listen to testimony at the Navy's April 15 meeting. — Photo: Carol Harvey

these agencies until 2013 when research revealed the truth and she began pointedly questioning those responsible.

In 2011, a shadow fell over the community. When the elementary school closed, Kathryn home-schooled her three children. In August 2011, the nearby Boys and Girls Club shuttered after a report that kids there may have breathed radioactive dust. Then, her 13-year-old daughter, Praise, was diagnosed with ovarian cysts and systemic lupus erythematosus, suffering intolerable leg-swelling. She and her brother, Mason, 17, developed intermittent painful, burning rashes, trouble breathing and asthma-like symptoms.

Her sister, Quinn, 16, began experiencing similar symptoms, difficulty breathing, chronic congestion, headaches and panic attacks also suspected to be triggered by dust and mold. In the last few months, Quinn has also been diagnosed with hyperthyroidism.

Many of these diseases surfaced among the peoples of the Bikini Atoll where, in the 1950s, the Navy researched nuclear power by exploding above-ocean atomic and deep sea hydrogen bombs.

In 2012, rumors of dangerous radiation proliferated. Kathryn became seriously worried, especially for her children.

Fully informing herself on radiation science, she became an activist and speaker. "You wouldn't recognize me. I've completely changed," she said.

In many community meetings, she has re-directed the attention of Navy and TIDA officials, and the community, to the fact of the toxins and the Navy's rather lackluster efforts to remove them.

"I'm from a military family," she told me. "I couldn't imagine the Navy concealing this information from us."

She created a Health Network for past military families and current residents. She has conducted Toxic Tours around the island, showing visible evidence of the presence of at least 14 radioactive elements, a minimum of 26 chemical contaminants, and asbestos, lead, and mold that create clear

Lundgren, mother of three teens, has repeatedly sounded the alarm outing the City and the Navy for collusion in neglecting to warn her and her unsuspecting neighbors that Treasure Island is a radioactive dumpsite saturated with chemicals, toxic mold, asbestos and lead. Now, after some of the 2,000-plus islanders and their 500 children have developed asthma, cancers and a host of other ailments, the City's Mayor Ed Lee, who appoints the board members of the Treasure Island Development Authority (TIDA), apparently wants to be rid of a courageous voice.

Kathryn Lundgren is a 10-year Bayside Drive resident. Between her joyous 1995 move-in date and 2011, this mom and her neighbors developed a close-knit, loving community, threw backyard barbecues, Halloween and Christmas parties, and generally enjoyed life and each other. Kathryn became a community leader involved in island TIDA programs and other volunteer organizations as far back as 2007. Kathryn worked collaboratively and cooperatively with all of

and present health risks for Treasure Island residents.

Most of all, Kathryn has caused the mighty to tremble by speaking eloquently to all available media in San Francisco, the Bay Area and beyond, showing them her samples of asbestos and mold-covered siding gathered from across Treasure Island green spaces. International media has attempted to contact Kathryn.



Treasure Islanders have formed strong bonds across race lines. Mason and Terrell are best friends. Both are graduating on May 28 from Galileo High School, where they are football teammates, and they are going off to the same college. Watch the video below. – Photos: Carol Harvey

Lundgren has been sought out by press about this massive betrayal – most recently by [Marisa Lagos](#) for three San Francisco Chronicle articles, multiple investigative reports by [Ashley Bates](#) for the East Bay Express, NBC's [Vicki Nguyen](#), [Matt Smith](#) and [Katharine Mieszkowski](#) of the Center For Investigative Reporting, San Francisco Magazine's [Chris Colin](#), in addition to seven on-the-ground reports by [Carol Harvey](#) in the San Francisco Bay View.

Betrayal: The secret plan for Treasure Island

In 1997, the Navy decommissioned the island, planning to turn it over to the City after it “cleaned up” what it called harmless levels of radioactive and chemical residue it dumped when the island was used as a nuclear training base, saturating soil, water and housing.

Then, a teflon-coated not-quite-criminal Willie Brown machine created a mysterious administrative body, Treasure Island Development Authority.

Treasure Island Director of Operations Mirian Saez put bluntly TIDA's relationship with the City and its mayor. Saez was overheard remarking she didn't understand why an islander earlier launched grievances against her when City Hall backed her. Following a fall 2012 TIDA board meeting, she told three residents wryly at a Health Network protest: “I can't wait to write my book. I'm going to call it, ‘How the Government Made Me Lie.’”

In an extravagant, “compassionate” public relations move, TIDA designated its subordinate agency, Treasure Island Homeless Development Initiative (TIHDI) to “rescue” low-income San Franciscans and citizens at risk for homelessness by enlisting a series of nonprofit subsidizing agencies to help deposit these impoverished supplicants in deteriorating post-World War II military buildings.

Functioning as placeholders, the gullible but grateful residents would secure the existing infrastructure while paying millions in rent. Addressing market rate interests, The John Stewart Co. was enlisted to intrigue and entice median income residents with amenities such as parks and open space, affordable rents and – at the time the of Lundgren's move-in – conveniently situated schools.

TIDA, i.e. the City, promised that an upstanding resident lasting out the redevelopment period, within seven to 10 years would realize a utopian dream of affordable permanent residency in new buildings which could be handed down to their children. The Lundgrens and her neighbors feel they created their dream of a home and a future in their close community based on TIDA's lies of omission, its neglect in disclosing the presence of mold in their walls and benzines, DDT, dioxin and radioactive material below their green grass.

The City of San Francisco appears to be launching a discriminatory retaliatory eviction targeting its Treasure Island toxin whistleblower, Kathryn Lundgren, and her family.

As it turned out, behind closed doors, a sub rosa plan laid down when TIDA was formed seems to have been maturing. The City could rake in billions more in rent by redeveloping the island and replacing the temporary market rate, poor and people of color with wealthier tenants in a high-end eco-village. It was a win-win for TIDA, a lose-lose for Treasure Islanders. This close-knit small community of low-income people, amazed at their luck and in love with their beautiful island, soon would be ripped apart.

An inaccurate report

A troublesome, inconvenient kink knotted up The Plan. In 2012, after years of Navy reassurances that radiation and chemical levels were too low to

harm anyone, a state watchdog agency, California Department of Public Health, issued a series of notifications indicating that Navy contractors were “remediating” toxins based on an inaccurate 2006 report entitled “Final Treasure Island Naval Station Historical Radiological Assessment.” In 2009, CDPH strongly recommended the Navy trash the erroneous report, widen and deepen their on-site investigations, extracting data to create a new, improved HRA. Navy testing that followed, indeed, unearthed far higher radiation and chemical levels than previously detected.

In addition, both Treasure Island firefighters and islanders have complained publicly about asbestos in roof tiles, inside walls and under old tile which could cause the painful and terminal lung disease, asbestosis, water flowing through ancient pipes potentially bearing lead and heavy metals into showers and drinking glasses, and years of asthma-producing toxic mold build-up inside poorly-maintained wall space. TIDA personnel stated that redeveloping the island would solve these problems. By that time, however, several gall bladder removals, a series of childhood asthmas, and multiple puzzling illnesses and deaths would have occurred, and the impoverished tenants replaced by condo-owners.

Home surveys planned

As a result of the California Department of Public Health reports, community pressure, and the Navy’s and TIDA’s mutual need to quell mounting tension and increased awareness of Treasure Island’s high toxicity, on April 9, 2014, TIDA and the Navy met at the Casa de la Vista, One Avenue of the Palms, and rolled out their new plan to conduct radiological surveys of Treasure Island homes. This move raised the worrisome, as yet unanswered question: Would island residents be forced to leave?

In 2012, rumors of dangerous radiation proliferated. Kathryn became seriously worried, especially for her children.



TIDA Director of Island Operations Mirian Saez – Photo: Carol Harvey

A week later, Tuesday, April 15, 2014, the Navy held a meeting in which it presented its survey plans. During that meeting, Base Realignment and Closure Environmental Coordinator Keith Forman stated that, beginning in June 2014, the elements contracting remediators discovered during interior home surveys and beneath homes with boring devices will determine next steps – thus, leaving island tenants’ futures vulnerable to uncertain winds.

nonconstructive eviction

Prior to the Navy’s survey announcement, Kathryn was desperate to find a way to remove her children to a safe place. She especially wanted to provide her daughter Praise the opportunity to recover from possible mold, chemical and radiation-related illnesses by taking her out of the environment producing these ill effects.

After a San Francisco Chronicle article revealed Kathryn’s months-long struggle urging Treasure Island Villages to address her home’s mold issues, TIDA’S Robert Beck and John Stewart (Villages) officials offered to provide her family alternate living arrangements. Ultimately, their manipulations rendered this offer disingenuous.

Following the TIDA-Navy home radiological survey announcement, the City used The John Stewart Co. to single out for “constructive eviction” Kathryn Lundgren’s family alone. Though based on the City’s dereliction in maintaining safe premises, the implied direct threat in “constructive eviction” is obvious.

Clearing the way for the Navy to complete radiological and soil gas surveys and remediate the mold in and beneath her house, TIDA must relocate her family. To date, TIDA has provided no place they can go.

Constant harassment has followed. Villages Property Managers resisted Kathryn’s attempts to arrange for temporary accommodations, saying the hotel claimed no vacancies. Hotel personnel emails disclosed there were, indeed, rooms available and that hotel staff had not spoken with John Stewart agents at that time.

After a San Francisco Chronicle article revealed Kathryn’s months-long struggle urging Treasure Island Villages to address her home’s mold issues, TIDA’S Robert Beck and John Stewart (Villages) officials offered to provide her family alternate living arrangements. Ultimately, their manipulations rendered this offer disingenuous.

Kathryn detailed in writing arrangements necessary to accommodate her family: housing with identical square footage, temporary, safe, secure, toxin-free and within the City and County of San Francisco, where her husband works, their children attend school, and medical care is easily accessible. Kathryn was adamant: “I need accommodations that are not more stressful for my family.”

The agent bypassed her request for his signature, offering quarters at half the size and twice the cost.

His return email pressured her to respond by a swiftly-approaching deadline.

At one point, this City front man levied a preposterous but telling threat: removal by "eminent domain" in which a government entity takes private property for public use. This bullying move exposes the City's direct involvement in harassing the Lundgrens.

Kathryn reported that John Stewart's long history of incomplete jobs, patchwork repairs, and foot-dragging – especially the company's months-long lag in addressing persistent leaks and asthma-producing mold problems – rendered unconscionable the management agent's pressure to sign away forthwith without contractual reassurances the future of her five-member family.

This agent's blocking responses are causing upheaval, stated Kathryn.

"Moving is traumatic. It's interfering with my children's life events they should enjoy, especially this weekend."

Praise graduates into high school while Mason graduates to college. Kathryn's son stands in his prom tuxedo surrounded by packing boxes.

"After waiting 18 years, we're forced to celebrate this moment, without the certainty of a permanent home or our health.

"Mason will graduate from a hotel instead of his childhood home." He leaves for football training and college worried about his family's illnesses and future.

During the 30-day remediation period, Kathryn must live in a hotel and locate a new residence without "my home phone number."

When the agent complained Kathryn was not cooperating, she corrected his misrepresentation: "Early on, They – the City, TIDA and John Stewart – deliberately decided to move people into substandard housing.



San Francisco Mayor Ed Lee is the landlord on Treasure Island, which belongs to the City.

"We should not be punished or take on the extra burden of blame for a situation they created and especially not be retaliated against for speaking out about it."

The City used the promise of parks and an elementary school to market the housing to families like Kathryn's with children, who are the most vulnerable population. "Then when we discover they're poisoning us, the City blames the families."

When a CDPH employee attributed the problems to "people on crack" while scanning her backyard with a Geiger counter, she threw him out of her yard. "When renters identify toxins and insist they be removed, you treat them like criminals!" Twenty minutes after his comment, an extremely hot item was located and removed across the street from her building.

Had the Lundgrens known about the toxins 10 years ago, they could have invested their \$250,000 rent into a home.

"Additionally," Kathryn pointed out, "We invested our time and energy into this community which my children consider their family. Leaving people they love is heart-wrenching."

Through tears she asked, "Do they take that into consideration?"

"We should not be punished or take on the extra burden of blame for a situation they created and especially not be retaliated against for speaking out about it."

Kathryn wondered aloud if Ed Lee read her Treasure Island Health Network Facebook post in which she challenged him to go with her on a toxic tour of island hot spots. "They do monitor our page," she said.

"I wrote it in all caps," said this incredibly tough, honest woman: "YES, ED LEE, I'M SHOUTING. MAYBE YOU'LL LISTEN."

Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at carolharveysf@yahoo.com



Search



HOME | NEWS | VIDEO | WEATHER | INVESTIGATIONS | ENTERTAINMENT | SPORTS | TRAFFIC | CONTESTS | CONTACT US

THE INVESTIGATIVE UNIT

HOLDING THE POWERFUL ACCOUNTABLE

SEND TIPS | 888-996-8477

HOME > INVESTIGATIONS

Navy to Begin Radiation Testing on Treasure Island Homes in June

Navy representatives face concerned residents for the first time since deciding to survey all homes on Treasure Island for radiological contamination

By/By Vicky Nguyen, Liz Wagner and Jeremy Carroll | Wednesday, Apr 30, 2014 | Updated 4:31 PM PDT

View Comments (0) | Email | Print | Tweet 9 | Recommend 5 | Send 3+1 0

Navy representatives say they will begin radiological tests in June and that the health and safety of residents is paramount. Investigative reporter Vicky Nguyen continues her reporting on Treasure Island in a story that aired on April 9, 2014.

advertisement

The Navy informed Treasure Island residents in a meeting Wednesday that it plans to begin radiological testing beneath their homes in June. Last month the Navy announced its decision to survey the land under more than 600 homes for radiation contamination.

For years the Navy has denied the presence of radiological contaminants on the island and only recently acknowledged that parts of Treasure Island are "radiologically impacted."

Nearly 3,000 people live and work on the former Naval shipyard, located halfway between San Francisco and Oakland. It is home to

breath-taking views of the city skylines, and also home to people like Kathryn Lundgren, who are now

FOLLOW US

Follow

Like 100k

MEET THE TEAM



THE INVESTIGATIVE UNIT

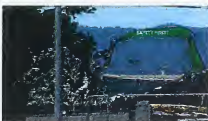
TOP STORIES



Clipper Card Commuters Question Validity of Citations



State Toxics Leader Leaving Post



Legislation Tackles Metal Shredder Industry

questioning what they have been told about the safety of their residences.

"From the beginning and historically, they've concealed everything," Lundgren said.

"It is completely unconscionable that you continue to say you care, yet continue to allow people to live here while unearthing mounds of contaminated dirt in the process," she told Navy leaders during the meeting.



Calls for Police Transparency at SJ Council Meeting

• Navy to Test All Homes on Treasure Island for Radiation

The Navy's director of base closure, Laura Duchnak, told the NBC Bay Area Investigative Unit in an interview that she didn't see any reason why people should not be living on Treasure Island during the cleanup process.

While she told tenants that their health is paramount, she did not offer specifics to their most pressing questions.

"If you find that the whole island is hot and toxic, what are you going to do for us?" asked Lucinda Hayes.

Duchnak said that the Navy would take "appropriate action" if anything is deemed hazardous, but did not elaborate further. She said that the Treasure Island Development Authority (TIDA) is "already committed to relocation opportunities."

In December, the Investigative Unit exposed a Navy report showing elevated levels of radiation at an unoccupied residence at Bigelow Court. Following the NBC Bay Area investigation, the Navy announced it would conduct new radiological tests under all homes on Treasure Island.

At Wednesday's meeting the Navy admitted that it did not expect to find contamination at the Bigelow Court location. The Navy maintains that hundreds of nearby homes are not impacted by radiation. Residents say this is part of what they call the Navy's pattern of denying and downplaying the extent of radiation on Treasure Island.

• Navy Subcontractor Breaks Silence About Treasure Island Radiation

Former resident Susan DeVico said during the meeting that a week and a half before she moved into her home in 1999, she saw "people in hazmat suits in front of what was to be my front door." She said it was clear to her that the Navy knew about problems 15 years ago.

The Navy said its goal is to protect the safety and health of Treasure Island residents.

"It is as concerning to us as it is concerning to them," said Duchnak. "We're all people and we all want to feel safe."

The Navy said it plans to hold a community meeting in May so residents can weigh in on the radiological testing process.

If you have a tip for the Investigative Unit email theunit@nbcbayarea.com or call 888-996-TIPS.

Follow Vicky Nguyen on Twitter and Facebook.



Leaflet | With data from Mapbox

Get the latest headlines, sent to your inbox

EMAIL

SIGN UP

Privacy Policy | More Email Alerts

From Around the Web

Schwab Sector View: Sector Recommendations from our Experts
(Charles Schwab)

Schwab Market Perspective: Schwab's Take on the Markets & Economy (Charles Schwab)

Do Granite Countertops Emit Radon? (And Other Radon FAQs) (Allstate Blog)

Things to know before getting started raising backyard chickens (Allstate Blog)

13 Amazing Uses for WD-40 (Reader's Digest)

Advanced Concrete Means Little Maintenance For A Century (Technologist)

More From NBC Bay Area

Stephen Baldwin Arrested for Driving With a Suspended License

Jack Bauer's Back to Save the Day in "24" Revival

So Long, Snowpack: Tioga Road Opens

Michael Jackson's New Single Premieres at the iHeartRadio Awards

Andrew Garfield Plays "Spider-Man" Theme Song, Bike Races Jimmy Fallon on "The..."

Bay Area Brain Tumor Walk

[7]

0 Comments (0) | Email | Print

Leave Comments





AGENDA ITEM 6B
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 14, 2014

Subject: **Approving the Budget of the Treasure Island Development Authority
Fiscal Years 2014-15, 2015-16 and Authorizing the Directors of Treasure
Island to Enter into Work-Orders for Services with other City
Departments, Professional Services Contracts and Agreements with
Service Providers**

Contact: Mirian Saez
Director of Island Operations
415-274-0660

BACKGROUND

This presentation is for approval the Treasure Island Development Authority ("TIDA") Budget for Fiscal Year 2014-15 ("FY2014-15") and Fiscal Year 2015-16 ("FY2015-16"). The approval authorizes the submission to the Mayor of the City and County of San Francisco (the "City") for further review and inclusion in the City's FY2013-14 and 2014-15 budgets. Additionally, approval authorizes the Directors of Treasure Island to enter into Work-Orders with other City Departments for services associated with operations and development needs, professional service contracts with vendors, and grants and agreements with service providers.

TIDA was established as a California nonprofit public benefit corporation and delegated certain powers under state and local legislation for the purpose of promoting the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island (the "Base"). Specifically, the Treasure Island Conversion Act of 1997 (the "Act"), passed by the California legislature in 1997, granted TIDA the authority to administer the Tidelands Trust on Treasure Island/Yerba Buena Island and enabled TIDA to be designated as a Local Reuse Authority ("LRA") to manage the conversion of the former Base, which includes portions of Yerba Buena Island, from military use to civilian reuse. On January 24, 2012, the Board of Supervisors rescinded designation of the Authority as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12. Such rescission does not affect Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other powers or authority.

The specific mission of TIDA is to redevelop the former Base and manage its integration with the City in compliance with federal, state and city guidelines, including the Tidelands Trust; create new housing and job opportunities for San Francisco residents, including assuring job opportunities for homeless and economically disadvantaged City residents; increase recreational opportunities and Bay access for San Francisco and Bay Area residents; and promote the welfare and well-being of the citizens of San Francisco.

To achieve these goals, TIDA provides services that can be grouped into two broad categories described in more detail below.

1. ***Property Management and Municipal Services.*** Under the provisions of a Cooperative Agreement between TIDA and the United States of America, acting by and through the Department of the Navy ("Navy"), TIDA serves as the property manager for the Base. TIDA is responsible for the overall operations including building maintenance, utility operations and maintenance, landscaping, road repair and management of personal property. In addition, the Cooperative Agreement makes TIDA and the City responsible for the provision of municipal services to Treasure Island and Yerba Buena Island including public safety services. TIDA has entered into MOUs and work orders with numerous City departments to provide the spectrum of services required under the Cooperative Agreement.

To offset the costs associated with property management and municipal service responsibilities, TIDA established two principal sources of revenue: (i) revenue generated from interim leasing of existing facilities; and (ii) revenue generated from special events held on the Base.

2. ***Transfer of Federal Property and Planning for Future Development.***

In 1997, TIDA was formed and began an extensive public process to inform the future the reuse of the former Naval Station Treasure Island ("the Base"). As the designated local reuse authority, TIDA has been negotiating with the United States Navy to acquire all real property at the Base that has not already been transferred to the United States Coast Guard, the United States Department of Labor, and State of California, acting by and through Caltrans. The remaining portions of the Base that the Navy will transfer to TIDA include approximately 365 acres on Treasure Island and approximately 115 acres on Yerba Buena Island (together, "the Islands").

In 2003, TIDA selected Treasure Island Community Development, LLC ("TICD") through a competitive RFQ/RFP process as the master developer for the Treasure Island/Yerba Buena Island Development Project ("Project"). In 2006, TIDA and the San Francisco Board of Supervisors endorsed a Development Plan and Term Sheet for the Project, which guided the efforts required to make the ambitious reuse plans for the Islands a reality.

In 2011, after over ten years of extensive community engagement and public process, the Project received its necessary entitlements and approvals from TIDA, the Planning Commission and the San Francisco Board of Supervisors. This included certification of a final Environmental Impact Report for the Project pursuant to CEQA, and approvals of the Disposition and Development Agreement with TICD, the Development Agreement between the City of San Francisco and TICD, an agreement between TIDA and the Treasure Island Homeless Development Initiative, as well as other necessary land use and regulatory approvals.

A primary objective in 2013-2014 has been to finalize an Economic Development Conveyance Memorandum of Agreement between TIDA and the Navy which will establish the phasing schedule and terms under which the Navy will transfer the Base to

TIDA. This commitment to transfer the property represents a critical milestone for the Project and, coupled with increased pre-development planning and engineering efforts by TICD in preparing Major Phase and Sub-Phase Applications, will lay the groundwork for implementation of the Project to begin.

Key priorities during FY 14-15 include: the first phase of property transfer from the Navy to TIDA, completion of the first phases of the Trust Exchange between TIDA and the State Lands Commission, receipt and review of the first Major Phase and Sub-Phase Applications from TICD, the continued construction of the Yerba Buena Island Ramps Improvement Project, approval of a Disposition and Development Agreement with Treasure Island Enterprises, LLC. for expansion of the Treasure Island Marina, and other early implementation activities in furtherance of the Project.

FISCAL YEAR 2014-15 BUDGET DISCUSSION

In presenting the proposed FY 2014-15 Budget, a review of the current year's revenue and expenses is first required. Housing revenue is less than annual projections but commercial revenue is out-performing projections. Administrative costs are also less than projected. TIDA has experienced one unplanned expense and one cost overrun in Professional and Specialized Services. The City Department Work- Orders are all encumbered as budgeted.

FY2013-14 Revenues

The TIDA Budget for FY 2013-14 projected housing revenue of \$4,192,274 which included the Base Rent and Percentage Rent derived from John Stewart Company (JSCo), our property manager. JSCo has revised its projected Percentage Rent for FY2013-14 to \$3,505,573. This decrease is due in part to the unplanned loss of revenue associated with the Navy remediation activities in the fourth quarter. Total expenses have exceeded budget due to the payment of prevailing wages, security contract and costs associated with fire-related rehabilitation of units. JSCo has been directed to trim administrative costs accordingly but a loss in housing revenue is anticipated.

The TIDA Budget for FY2013-14 projected commercial revenue at \$3.2 million. The March Revenue Report provided by GSA states that commercial revenues are at \$2,632,827, or approximately 82% of Budget. Staff has revised its projected commercial revenue for the year to \$3.9 million. This increase is due to the continued creation of leasing opportunities despite a portfolio of challenged properties and low commercial tenant turnover.

Hence, the anticipated housing revenue loss will be off-set by the increase in commercial revenues allowing TIDA to end the year with a positive cash flow.

FY2013-14 Expenditures

To date, TIDA has maintained FY2013-14 expenses within budget. Administrative expenses are anticipated to be below budget due to delay in resident relocation moves from YBI to TI. In Professional and Specialized Services, Maintenance Services

(Buildings) will exceed budget due to required demolition of a collapsed building. There is one unplanned expense to date; specifically, DPW engineering services associated with the YBI Ramp Improvement Project of \$102,000. The savings in other Work Orders--namely Risk Management and SF Municipal Transportation Agency, will off-set these overages.

Therefore overall, revenue is projected to exceed expenditures for FYE2014 by \$526,000.

FISCAL YEAR 2014-15 BUDGET

Managing the resident interim moves and planning the relocation of commercial tenants are major challenges for the FY2014-15. The expenditures associated with Operations are flat. However as Development activities progress, expenditures associated with the review of Major Phase and Sub-Phase applications and with the review of construction documents of the YBI Ramps Improvement Project will increase. Professional and Specialized Services contracts along with City Work Orders are increased accordingly. The increase in Development costs will be balanced by utilizing prior year Fund Balance(s).

FY2014-15 Revenue Projections

The housing revenue from the John Stewart Company (JSCo) is projected to be \$3,689,470, including Base Rent and Percentage Rent. This is a decrease from prior year as JSCo continues to hold units off-line on TI for the YBI Transition Housing Rules and Regulation and as units are removed from inventory in association with the TI Navy remediation activities. Commercial leasing revenue is projected to increase to \$3.8 million. The use of Fund Balance from prior years of \$1.6 million is required to balance the budget.

FY2014-15 Expenditure Projections

TIDA's Administrative expenses remain low. The total Project Staff expenses - staff salaries and staff benefits - remains 12 total FTEs and participation in the Summer Job + Program. Operational Professional and Specialized Service contracts and obligations are increased modestly from last year for TIHDI, ToolWorks (janitorial), and Rubicon (landscaping) -- consistent with an increase in their scope of services and the anticipated approval of a minimum wage ordinance. Development Professional Service contracts are projected to be \$1,495,000-- doubling to fund a one-time Oakland Army Base Electrical Easement payment, the environmental engineering contract and interim move payments, among others.

The balance of revenues fund Operation Work-Orders with City Departments for public safety, public works and building services including with DPW, SFPD, SFFD, Risk Manager, SFMTA and the Department of Real Estate in the amount of \$3.2 million. Another \$3.2 million in City Work-Order funds both Operation and Development costs of the City Attorney Office for legal work and General Services Agency for administrative services. New to next year's budget is a Work Order for \$610,000 with the Bureau of Street Use and Mapping to assist with early implementation activities.

Annual expenditures for the SFPUC are increased by \$30,000. The budget for the PUC utility services is \$753,646 and another \$150,000 is for the rental of two on-Island generators. In addition, \$200,000 is set aside as per the Memorandum of Understanding between TIDA and the PUC for the repayment of TIDA's outstanding debt accumulated prior to September 2006.

Quality of Life. For general maintenance and repair of the Island (Building and Facility) \$325,000 is proposed for traffic safety measures, improved street lighting and street paving. Professional and Specialized Service contracts include: health/wellness programs with the YMCA and summer camp with the Boys and Girls Club. City Work-Order include: child care development (HSA), after-school programs (HSA) and nurse clinic (DPH).

The Proposed FY2014-15 Budget sets aside \$62,379 for Reserve, or Fund Balance.

The FY2014-15 Budget information is outlined in the following Exhibits.

Exhibit A - TIDA Revenue Forecast

Exhibit B - TIDA Revenue Details

Exhibit C - TIDA Expense Forecast

Exhibit D- TIDA Expense Details

FISCAL YEAR 2015-16 BUDGET

The FY2015-16 Budget is also provided for review. Revenues are anticipated to decrease in the second half of that fiscal year as property becomes unavailable for special events. Expenses decrease accordingly mainly in Administration and Professional/Specialized Services.

The Proposed FY2015-16 Budget information is outlined in the following Exhibits.

Exhibit E - TIDA Projected Revenue

Exhibit F - TIDA Projected Expenses

RECOMMENDATION:

Staff recommends approval of the Fiscal Year 2014-15 Budget and Fiscal Year 2015-16 Budget.

Prepared by Mirian Saez,
Director of Island Operations

TIDA OPERATIONS REVENUE Comparison FY 2014-15 (as of 5/9/14)

DRAFT

TIDA REVENUE SOURCES	FY13-14 Budget	FY14-15 Projections	Variance
Collaborative Special Events	\$ 295,000	\$ 120,000	\$ (175,000)
TIDA Special Events Revenues	\$ 218,850	\$ 430,000	\$ 211,150
TI Commercial Revenues	\$ 3,216,241	\$ 3,840,770	\$ 624,529
Film Revenues	\$ 30,000	\$ 35,000	\$ 5,000
YBI Cellsites/ Banner Revenues	\$ 297,720	\$ 325,830	\$ 28,110
Marina Revenues	\$ 90,000	\$ 90,000	\$ -
John Stewart Company Housing Revenue	\$ 4,192,274	\$ 3,689,470	\$ (502,804)
Housing CAM	\$ 479,472	\$ 479,472	\$ -
Fund Balance FYE 2012		\$ 53,983	\$ 53,983
Fund Balance FYE 2013		\$ 1,579,060	\$ 1,579,060
TICD Reimbursement (SFCTA)		\$ 5,750,000	\$ 5,750,000
Grand Totals	\$ 8,819,557	\$ 16,393,585	\$ 7,574,028

I. TIDA OPERATIONS REVNUUE DETAILS FY2014-15**TI Special Events Revenues**

This amount reflects revenues received from special events held on Treasure Island such as corporate events, wedding receptions, and recreational use. The revenues are separated between the Collaborative Special Events and the TIDA-booked events to differentiate and monitor funds.

A. Collaborative Special Events

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$295,000	\$120,000	(\$175,000)

This amount reflects revenue based on monthly fees from the rental of Building One managed by the Collaborative partnership. The decrease is due to the fact that there are fewer venues in the Collaborative portfolio than last year.

B. TIDA- Special Events

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$218,850	\$430,000	\$211,150

This amount is reflects revenue based on TIDA managed Special Event venues and reflects the return of signature events including Dragon Boat Festival, TI Music Festival, Oracle World and TI Flea Market, among others. The increase is due to the return of the Casa De La Vista and Chapel to the TI portfolio.

C. TI Commercial Revenues

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$3,216,241	\$3,840,770	\$624,529

This amount reflects executed subleases and potential new subleasing opportunities for commercial space on Treasure Island.

D. TI Film/Photo Permits

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$30,000	\$35,000	\$5,000

This amount reflects revenues received from permits issued on the Islands in the current fiscal year.

E. Cell Sites, Banner & Franchise fees

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$297,720	\$325,830	\$28,110

This amount reflects revenues that will be received from cell sites, banners and franchise fees with anticipated CPI adjustment. Subleases include ATT, Comcast and T-Mobile, among others.

F. TI Maritime

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$90,000	\$90,000	\$0

This amount reflects the executed Master Southern Waterfront agreement for use of Treasure Island Marina based on a minimum monthly rent of \$7,500; \$90,000 annualized.

G. JSCO-Housing Revenues

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$4,192,274	\$3,689,470	(\$502,804)

1. Percentage Rent: Based upon approximately 42% of 554 income generating unit portfolio for FY 2014-15, the total projected housing revenues from the John Stewart Company (JSCO) is \$3,689,470 after deducting expenses including the John Stewart 5% fee. Further, based on the Sharing Agreement between TIDA and the Treasure Island Homeless Development Initiative (TIHDI) approved by the San Francisco Board of Supervisors in 1996, TIHDI will receive \$284,750, or 8.49% of Percentage Rent.

John Stewart Company 95% of Percentage Rent: \$3,353,952

TIHDI-TIDA Sharing Agreement Calculations: $(\$3,353,952 \times 8.49\%) = \$284,750$

John Stewart Company Percentage Rent Net: $(\$3,353,952 - \$284,750) = \$3,069,202$

2. Base Rent: The John Stewart Company projects \$620,268 in Base Rent in the FY 2014-15.

Total John Stewart Housing Revenues: $\$3,069,202 + \$620,268 = \$3,689,470$

H. Housing CAM

TIDA FY2013-14 Budget	TIDA FY2014-15 Budget	Change
\$479,472	\$479,472	\$0

The amount reflects income for housing Common Area Maintenance (CAM) charges.

Exhibit C

TIDA OPERATIONS EXPENSE Comparison FY2014-15 (as of 5/9/14)

DRAFT

	TIDA APPROVED FY2013-14 BUDGET	Proposed FY2014-15 BUDGET	VARIANCE
A. ADMINISTRATION			
1. TRAINING, CONFERENCES AND TRAVEL COSTS (02200)	\$20,300	\$20,300	\$0
2. OFFICE FIELD EXPENSES (LOCAL FIELD EXPENSES) (02300)	\$2,000	\$2,000	\$0
3. MEMBERSHIP FEES (02400)	\$6,700	\$6,700	\$0
4. OTHER FEES (02235)	\$0	\$0	\$0
5. PROMOTIONAL AND MARKETING EXPENSE (02500)	\$35,000	\$35,000	\$0
6. ADMIN PROFESSIONAL & SPECIALIZED SERVICES (02700)			
a. THIRD - OPERATING CONTRACT	\$171,000 (\$181,000 AMENDED)	\$198,000	\$15,000
b. TREASURY ISLAND BOYS & GIRLS CLUB HOUSE (02711)	\$145,990	\$10,000	(\$135,990)
c. TIGYM OPERATIONS YMCA	\$146,775 (\$220,000 AMENDED)	\$145,775	(\$73,225)
d. OTHER PROFESSIONAL SERVICES (02790)	\$45,000	\$45,000	\$0
e. DEVELOPMENT PROFESSIONAL SERVICES (02799)	\$995,000	\$7,245,000	\$6,550,000
TOTAL ADMINISTRATION	1,268,765	\$7,706,775	\$6,438,010
B. PROFESSIONAL & SPECIALIZED SERVICES (2800)			
1. MAINTENANCE SERVICES - BUILDINGS			
2. SCAVENGER SERVICES (Trash Disposal)	\$31,250	\$39,100	\$7,850
3. JANITORIAL SERVICES (TOOLWORKS)	\$130,000 (\$151,000 AMENDED)	\$165,150	\$15,150
4. PEST CONTROL (2803)	\$5,000	\$5,000	\$0
5. GROUNDS MAINTENANCE (RUBICON) (02801)	\$705,000	\$738,490	\$33,490
6. MAINTENANCE SERVICES (BUILDING) (02899)	\$100,000	\$175,000	\$75,000
7. MAINTENANCE SERVICES (FACILITY) (02800)	\$150,000	\$150,000	\$0
8. MISC. FACILITY (PUBLIC ART HISTORICAL PRESERVATION) (03031)	\$20,000	\$20,000	\$0
9. RENT & LEASES - EQUIPMENT (03100-03599)	\$50,000	\$35,000	(\$15,000)
10. MATERIALS & SUPPLIES (04000)	\$25,000	\$25,000	\$0
11. OTHER MATERIAL AND SUPPLIES - PUBLIC SAFETY (04599)	\$25,000	\$25,000	\$0
12. EQUIPMENT - (08000)	\$0	\$28,000	\$28,000
TOTAL PROFESSIONAL & SPECIALIZED SERVICES	\$1,241,250	\$1,404,740	\$163,490
C. CITY DEPARTMENT WORK-ORDERS			
1. GENERAL SERVICES AGENCY (081CA)	\$2,164,358	\$2,205,729	\$41,361
2. RISK MANAGEMENT SERVICES (OPERATIONS AND REDEVELOPMENT INSURANCE) (081CB)	\$188,500	\$118,827	(\$69,673)
3. GF-CITY ATTORNEY - LEGAL SERVICES OPERATIONS (081CT)	\$996,558	\$996,558	\$0
4. IS-TIS - ISD SERVICES (081C)	\$25,181	\$25,181	\$0
5. TIS-ISD SERVICES (081CS)	\$487	\$487	\$0
6. GF-TIS TELEPHONE SERVICES (081ET)	\$13,892	\$13,892	\$0
7. GF-FIRE (081FC)	\$103,000	\$80,000	(\$43,000)
8. HR - MANAGEMENT TRAINING	\$4,740	\$4,740	\$0
9. IS-PURCH-CENTRAL SHOPS-AUTO MAINT (AAO) (081PA)	\$11,860	\$7,744	(\$3,916)
10. IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO) (081PF)	\$3,887	\$2,148	(\$1,741)
11. PARKING & TRAFFIC (081PR)	\$25,000	\$25,000	\$0
12. ISCH-REPRODUCTION (AAO) (081PR)	\$5,000	\$5,000	\$0
1. GF - POLICE SECURITY (SFPD) (081PR)	\$80,087	\$88,545	\$8,458
2. GF-POLICE SECURITY (SFPD) (02811)	\$0	\$0	\$0
3. GF-PUCH-HETCH HETCHY (081UH)	\$1,074,661	\$1,103,650	\$28,989
4. SR-DPW-BUILDING REPAIR (081WB)	\$849,835	\$892,327	\$42,492
5. SR-DPW-BUREAU OF STREET ENVIRONMENTAL SERVICES (081WC)	\$154,063	\$161,766	\$7,703
6. SR-DPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES (081WR)	\$180,681	\$189,715	\$9,034
7. SR-DPW-BUREAU OF URBAN FORESTRY SERVICES (081WU)	\$305,902	\$321,197	\$15,295
8. SR-DPW-BUREAU OF STREET USE & MAPPING (081WB)	0 (\$102,000 AMENDED)	\$610,000	\$508,000
9. ADM - REAL ESTATE SPECIAL SERVICES (DEPT. OF REAL ESTATE-FACILITIES MGMT) (081WB)	\$32,040	\$51,040	\$19,000
10. HUMAN SERVICES AGENCY (081SS)	\$40,000	\$40,000	\$0
11. DEPARTMENT OF PUBLIC HEALTH (081HE)	\$50,000	\$75,000	\$25,000
12. DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (081CH) - TI AFTER SCHOOL PROGRAM		\$169,000	\$169,000
13. DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (081CH) - TI SUMMER PROGRAM		\$47,747	\$47,747
TOTAL CITY DEPARTMENT WORK-ORDERS	\$6,309,542	\$7,214,291	\$904,749
TOTAL OPERATIONS EXPENDITURES	\$8,819,557	\$16,325,806	\$7,506,249
TOTAL REVENUES	\$8,819,557	\$16,393,585	\$7,574,028
			\$0
RESIDUAL FOR RESERVE		\$67,779	\$67,779

II. TIDA OPERATIONS EXPENSE DETAILS FY2014-15

The expenditure for daily operations and development costs for Treasure and Yerba Buena Islands are defined under the following three categories: Administration, Professional and Specialized Services, and City Department Work-Orders.

A. ADMINISTRATION**1. Training, Conference and Travel Costs (02200)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$20,300	\$20,300	\$0

The Proposed Budget provides for the same level of funding for training, seminars and conferences, including costs of travel. The annual Staff Performance Plans encourage staff participating in professional development.

2. Employee Field Expenses (02300)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$2,000	\$2,000	\$0

The Proposed Budget provides for the same level of funding for local field costs.

3. Membership Fees (02400)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$6,700	\$6,700	\$0

The Proposed Budget provides for the same level of funding for Membership Fees. The annual Staff Performance Plans encourage staff participate in professional development.

4. Other Fees (35235)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$0	\$0	\$0

The Proposed Budget provides for the same level of funding based on actuals.

5. Marketing and Promotion (02500)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$35,000	\$35,000	\$0

The Proposed Budget provides for the same level of funding for Marketing and Promotion. The line item supports the 75th Anniversary of the Golden Gate International Exposition, tenant/community associations and their activities and programs, among other activities and purchasing promotion and production materials. Fund is also for purchase of food associated with these activities.

6. **Administrative Professional & Specialized Services (02700)**

This category provides funding for professional services, including social services.

a. **Treasure Island Homeless Development Initiative (TIHDI) – (02711)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$171,000	\$196,000	\$15,000
(\$181,000 Amended)		

The Proposed Budget increases the level of funding for the Treasure Island Homeless Development Initiative (TIHDI) – Operating Contract in the amount of \$25,000. Under the Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative, TIHDI provides several services to TIDA including coordinating and facilitating participation of community-based homeless service organizations, operating the job broker system, as well as future development planning. Additionally this year, TIHDI will provide onsite after-hour services at the Casa de la Vista and Chapel. TIHDI operates the building known as the ShipShape free of charge as a public benefit.

b. **Treasure Island Boys and Girls Club House (02711)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$146,990	\$10,000	(\$136,990)

The Proposed Budget provides the same level of funding for the Treasure Island Boys and Girls Club House in the amount of \$10,000 to fund Island youth participation at Camp Mendocino.

c. **TI Gym Operation (02711)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$146,775	\$146,775	\$0
(\$220,000 Amended)		

The Proposed Budget provides the same level of funding for the YMCA to operate the TI Gym. The YMCA provides health, education, youth and adult programs to Island residents free of charge. TIDA maintains the facility.

In FY2014-15, the YMCA was contracted as Operator to manage the Treasure Island gym facility after a formal solicitation. The amended budget includes the addition of ½ year of After-School Programming.

d. **Other Professional Services (02799)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$45,000	\$45,000	\$0

The Proposed Budget provides the same level of funding for Other Professional Services. The line item includes the following professional services: the cost of marine salvage and as-needed Lien Sale of sunken, abandoned and stored vessels from Clipper Cove; cost of security services; signage, interpretation and translation services for public meetings and public notices, transportation costs and stipends for interns.

e. **Development Professional Services (02799)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$695,000	\$7,245,000	\$6,550,000

The Proposed Budget increases the costs of Professional Services as detailed below due in part to the costs associated with the following:

PROFESSIONAL & SPECIALIZED SERVICES	FY 13-14 Approved	FY 14-15 Proposed
Environmental Engineering (Langan)	\$180,000	\$300,000
Renewable Energy Policy & Finance (Need to Issue RFQ)	\$75,000	\$0
Financial Advisor/Bond Counsel (MOPF)	\$50,000	\$0
Land Transfer and Closing Costs (TBD)	\$25,000	\$25,000
Relocation Consultant (Paragon)	\$75,000	\$100,000
Oakland Army Base Electrical Easement	\$0	\$435,000
SFCTA (Mobility Study)	\$150,000	\$250,000
SFCTA (TICD Ramps Local Match)	\$0	\$5,750,000
Interim Move Payments (Estimate February 2013)	\$140,000	\$385,000
Subtotals	\$695,000	\$7,245,000

- Environmental Engineering – Navy’s Site Management Plan includes increased plan production and remediation activities in 2014-2015 necessitating additional document review and associated services from environmental consultants.
- Relocation Consultant – It is anticipated that development will commence in FY 14/15 necessitating the relocation of YBI residents to TI. Also, Navy planned remediation activities are anticipated to require the relocation of two buildings of residents on TI. Relocation Consultant’s charge is to facilitate these relocations.

EXHIBIT D

- Oakland Army Base – In conjunction with the redevelopment of the former Oakland Army Base, Navy electrical transmission lines serving Treasure Island will be relocated and undergrounded. Through an easement agreement with the City and Port of Oakland, they will install spare conduits to accommodate the future demands of Treasure Island.
- SFCTA – SFCTA Mobility Management Studies in anticipation of development will be increasing. The Work Order funds provide local match to grants secured by SFCTA for this effort.
- SFCTA – To be paid by TICD as reimbursement for Ramps Project. (Pass-through)
- Interim Move Payments – In conjunction with the above described relocations, TIDA will be paying residents moving expenses. Tenants residing on the Island prior to approval of the DDA in 2011, may elect to receive an 'In-Lieu' Payment if they relocate off of the Island and forego certain rights/benefits to relocate into the permanent development

B. PROFESSIONAL AND SPECIALIZED SERVICES (2800)

1. Maintenance Services – Buildings

a. Scavenger Services (02801)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$31,250	\$39,100	\$7,850

The Proposed Budget increases the level of funding by \$7,850, or 25% for commercial trash removal and recycling services to Treasure and Yerba Buena Islands and special events. This contract is now under the City's Memorandum of Understanding for Refuse Collection with Recology Sunset Scavenger, et. al.

b. Janitorial Services – Toolworks (02802)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$130,000 (\$151,000 Amended)	\$166,150	\$15,150

The Proposed Budget increases Janitorial Services based on the increased scope of services, specifically the addition of the Casa de la Vista and Chapel to the portfolio. Additionally, the budget anticipates an increase in cost associated with a half a year increase of minimum wage. Toolworks currently provides janitorial maintenance services to Buildings One and the Childcare Center. Toolworks is a member organization of TIHDI that employs formerly homeless and economically disadvantaged individuals.

c. Pest Control – (2803)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$5,000	\$5,000	\$0

The Proposed Budget provides for the same level of funding for Pest Control.

d. Grounds Maintenance – Rubicon (02805)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$705,000	\$738,490	\$33,490

The Proposed Budget increases the level of funding for Grounds Maintenance based on the anticipated increase in cost associated with a half a year increase of minimum wage. Rubicon Enterprises provides all landscaping maintenance services on Treasure and Yerba Buena Islands and at the Special Events District: Library, Pavilion, Chapel and Casa De La Vista. Rubicon is a member organization of TIHDI and employs formerly homeless and economically disadvantaged individuals.

e. Maintenance Services – Buildings (02899)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$100,000	\$175,000	\$75,000

The Proposed Budget increase funding for TIDA Building Maintenance Services. The funding is outside of the scope of services provided by DPW Work Orders. The line item funds contracts, as needed, for property maintenance and upkeep, and for emergency repairs.

f. Maintenance Services - Facility (02800)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$150,000	\$150,000	\$0

The Proposed Budget provides for the same level of funding for TIDA Facilities Maintenance. The funding is outside of the scope of services provided by DPW Work Orders. The line item funds for street paving, seal coating residential parking lots, vegetation management, fencing, demolition of buildings, and improvement along the waterfronts of the Island to enhance visitor experience.

g. Miscellaneous Facility (Public Art Historical Preservation) (03031)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$20,000	\$20,000	\$0

The Proposed Budget provides the same level of funding for Miscellaneous Facility. The line item funds historic interpretation and programming, provides for the care, storage and conservation of the Authority's existing historic artifacts including the Pageant of the Pacific murals and TI Museum Collection by Atthowe Fine Arts services.

2. Rents & Leases – Equipment (03100- 03599)

EXHIBIT D

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$50,000	\$35,000	(\$15,000)

The Proposed Budget decreases the level of funding based on actuals. The funding for Rents & Leased Equipment is for rentals including TIDA multi-purpose machine, postage machine, Comcast services, and water dispenser. This category also funds Other Current Expenses portable restrooms, messenger services, audio services, periodicals, advertising, and printing. TIDA staff encourages TIDA members to go paperless.

3. Materials & Supplies (0400)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$25,000	\$25,000	\$0

The Proposed Budget provides the same level of funding for Materials and Supplies. The line item includes office materials such as toners, stationary and recycling receptacles, copier supplies, copy paper, safety equipment and food expenses. This category also funds recreational expenses, flags and banners.

4. Other Materials & Supplies-Public Safety (04599)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$25,000	\$25,000	\$0

The Proposed Budget provides the same level of funding for Other Materials and Supplies – Public Safety. This expenditure line includes the costs to provide seminars, educational programs, and resilience conferences for the Island's emergency preparedness. The expenditure also includes care and shelter equipment and purchase of emergency communication equipment including 800 MHz radios.

5. Equipment – (06029)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$0	\$26,000	\$26,000

The Proposed Budget requests the purchase or lease of a vehicle.

C. TIDA WORK-ORDER SERVICES WITH OTHER DEPARTMENTS

1. General Services Agency (081CA)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$2,164,368	\$2,205,729	\$41,361

The Proposed Budget increases the level of funding for staffing. The Proposed staffing plan is 12 full-time positions in FY 14-15 for Operations and Development. All positions are employees of General Services Agency (GSA) and are reflected in the GSA's budget presented to the Board of Supervisors.

The Proposed Budget provides for Financial Oversight/IT Services. General Services Agency provides services to TIDA in support of human resources, budget, accounting, financial reporting including FAMIS and payroll. In addition, certain information and technology support including network, server, workstation, software maintenance and support are also managed by General Services Agency. GSA assists TIDA resiliency efforts through integration with City emergency logistics planning and with City post-disaster damage assessment policies and protocols.

The Proposed Budget also provides for TIDA Board Health Benefits.

2. Risk Management Services – Insurance (081CB)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$186,500	\$118,827	(\$67,673)

The Proposed Budget decreases insurance costs for both Operations and Development based on actuals W.O. This W.O provides funding for general liability coverage, liability insurance for TIDA's Board of Directors and administrative review of proposed subleases and use-permits by the Risk Manager to determine appropriate insurance requirements.

3. City Attorney – Legal Services – Operations & Redevelopment (081CT)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$996,558	\$996,558	\$0

The Proposed Budget provides the same level of funding for Operations and Development. This W.O provides funds for the City Attorney's Office to act as TIDA's General Counsel and to provide legal services for TIDA's role as caretaker and property manager of the islands and other administrative responsibilities. This W.O also provides funds for the City Attorney's Office to act as TIDA's General Counsel and to provide legal services in TIDA's role as planner and negotiator for development.

4. TIS– IDS Services (081CI)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$26,181	\$26,181	\$0

The Proposed Budget provides for same level of funding from last year for IDS Services. Department of Telecommunications and Information Systems maintain our infrastructure and provide telephone services and cell phones. DTIS also provides hosting and maintenance services for TIDA's website.

5. TIS-IDS Service (081C5)

EXHIBIT D

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$487	\$487	\$0

6. TIS-Telephone Service (081ET)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$13,892	\$13,892	\$0

7. San Francisco Fire Department (081FC)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$103,000	\$60,000	(\$43,000)

The Proposed Budget provides for NERT trainings and fire suppression systems projects on north end of Treasure Island.

8. Human Resources – Management Training (081H2)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$4,740	\$4,740	\$0

The Proposed Budget provides for the same level of funding. The annual Staff Performance Plans encourage staff to participate in professional development.

9. Purchasing-Central Shops-Auto Maintenance (081PA)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$11,660	\$7,744	(\$3,916)

10. Purchasing-Central Shops-Fuel (081PF)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$3,887	\$2,146	(\$1,741)

11. Department of Parking and Traffic (DPT) (081PK)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$25,000	\$25,000	\$0

The Proposed Budget provides for the same level of funding. This W.O provides funds to DPT services for Development Support and traffic control and parking enforcement during

major public holidays and events when spectators and large crowds visit the Island. These events may include 4TH of July, Fleet Week, Halloween and New Year's Eve.

12. **Purchasing –Reproduction (081PR)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$6,000	\$6,000	\$0

The Proposed Budget provides for the same level of funding based on actuals. The Reproduction funding line is for city stationary, envelopes, labels, and alike.

13. **San Francisco Police Department (081SP)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$80,087	\$88,545	\$8,458

The Proposed Budget increases the SFPD Budget by \$8,458. The W.O order provides for building and grounds patrol during week nights at Building One.

14. **San Francisco Police Department (02811)**

TIDA FY 13-14 Budget	Proposed FY 2014-15	Change
\$0	\$0	\$0

The Proposed Budget provides for the same level of funding based on actuals.

15. **Public Utilities Commission – Hetch Hetchy (081UH)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$1,074,661	\$1,103,650	\$28,989

The Proposed Budget increases the level of funding for the PUC for TIDA's utilities and maintenance expenses by 4%. ($724,661 \times 1.04\% = 753,647$). TIDA also leases two back-up generators at the cost of \$150,000 a year. Another \$200,000 is allocated for the MOU between TIDA for the settlement of TIDA's outstanding liabilities prior to 2006.

16. **DPW Bureau of Building Repair (BBR) (081WB)**

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$849,835	\$892,327	\$42,492

The Proposed Budget increases the level of funding for BBR by 5%. BBR provides funding for a Senior Stationary Engineer, a Stationary Engineer and a laborer as well as crafts such as electrical, plumbing, glass, sheet metal, locksmith and carpenter on an as-needed basis. This line also funds materials and supplies.

17. DPW Bureau of Street Environmental Services (BSES) (081WC)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$154,063	\$161,766	\$7,703

The Proposed Budget increases the level of funding for BSES by 5%. BSES provides service for two nights weekly freeway on/off ramp street cleaning, weekly manual landscape cleaning, and twice monthly streets and roadways street cleaning. BSES also provides trash can set-up, clean-up and debris removal for special public events such as New Year's Eve, Memorial Day, 4TH of July and Fleet Week and during weekends.

This line funds the day staff at the Front-Gate to monitor traffic entering and exiting Treasure Island and to assist visitors with directions and information.

18. DPW Bureau of Streets and Sewer Repair Services (BSSR) (081WR)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$180,681	\$189,715	\$ 9,034

The Proposed Budget increases the level of funding for BSSR by 5% for street paving and pothole repairs on Treasure and Yerba Buena Islands for a total of forty (40) repair visits during the year.

19. DPW Bureau of Urban Forestry Services (BUF) (081WU)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$305,092	\$321,197	\$ 15,295

The Proposed Budget increases the level of funding for BUF by 5% for Tree Management Services including arborists for tree care, pruning and removal.

20. DPW Bureau of Street Use & Mapping (081WB)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$102,000 (AMENDED)	\$610,000	\$508,000

This Proposed Budget is a new line item. It funds Engineering Management by DPW for the Review of Major Phase and Subphase Application materials prepared by TICD, inspection and construction management support for the I-80/YBI West Bound Ramps project, design review of plans, specifications, and estimates for the seismic retrofit of West Side Structures on Yerba Buena Island, and FHWA mandated bi-annual inspection of the West Side Structures on Yerba Buena Island.

21. Real Estate Special Services (DRE) (081W6)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$32,040	\$51,040	\$19,000

The Proposed Budget increases the level of funding for the Real Estate Special Services (DRE) based on actuals and consistent with need this year to test equipment. DRE procures building service contracts for fire alarm system, sprinkler system and elevator maintenance services.

22. Human Service Agency (081SS) Early Care and Education (Child Care)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$40,000	\$40,000	\$0

The Proposed Budget provides Catholic Charities for the same level of funding to operate the Child Development Facilities. Catholic Charities occupies the child care facility free of charge as a public benefit and TIDA maintains the facility.

23. Department of Public Health (TI Health Clinic) (081HE)

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$50,000	\$75,000	\$25,000

The Proposed Budget increase the level of funding for Public Health in association with the new TI Health Clinic and Development support.

24. Department of Children, Youth and Families (081CH) – TI After School Program

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$0	\$166,000	(\$166,000)

The Proposed Budget provides funding for after school programming.

25. Department of Children, Youth and Families (081CH) – TI Summer Program

TIDA FY 2013-14 Budget	Proposed FY 2014-15	Change
\$0	\$47,747	(\$47,747)

The Proposed Budget provides funding for summer program.

TIDA PROJECTED REVENUE FY2015-16 AS OF 5/9/2014

DRAFT

TIDA REVENUE SOURCES	FY2014-15 Projections	FY2015-16 Projections
Collaborative Special Events	\$ 120,000	\$ 120,000
TIDA Special Events Revenues	\$ 430,000	\$ 310,000
TI Commercial Revenues	\$ 3,840,770	\$ 4,041,403
Film Revenues	\$ 35,000	\$ 35,000
YBI Cellsites/ Banner Revenues	\$ 325,830	\$ 335,012
Marina Revenues	\$ 90,000	\$ 90,000
John Stewart Company Housing Revenue	\$ 3,689,470	\$ 3,689,470
Housing CAM	\$ 479,472	\$ 480,910
Fund Balance FYE 2012	\$ 53,983	-
Fund Balance FYE 2013	\$ 1,579,060	-
Fund Balance FYE 2014	\$ -	\$ 526,906
TICD Reimbursement (SFCTA)	\$ 5,750,000	\$ 2,875,000
Grand Totals	\$ 16,393,585	\$ 12,503,701

Assumptions:

Events through 3/31/2016

Removal Building 180, Bodega, Café, Oasis, Misc. buildings along Waterfront.

Exhibit F

TIDA PROJECTED EXPENSES FY2015-16 (as of 5/9/14)		Proposed FY2014-15 BUDGET	Proposed FY2015-16 BUDGET	VARIANCE
DRAFT				
ADMINISTRATION				
1. MEETING, CONFERENCES AND TRAVEL COSTS (02200)		\$20,300	\$20,300	\$0
2. EMPLOYEE FIELD EXPENSES (LOCAL FIELD EXPENSES) (02300)		\$2,000	\$2,000	\$0
3. MEMBERSHIP FEES (02400)		\$6,700	\$6,700	\$0
4. OTHER FEES (02238)		\$0	\$0	\$0
5. PROMOTIONAL AND MARKETING EXPENSE (02500)		\$35,000	\$15,000	(\$20,000)
6. ADMIN PROFESSIONAL & SPECIALIZED SERVICES (02700)				
a. THDI - OPERATING CONTRACT		\$196,000	\$196,000	\$0
b. TREASURE ISLAND BOYS & GIRLS CLUB HOUSE (02711)		\$10,000	\$10,000	\$0
c. TI GYM OPERATIONS YMCA		\$146,775	\$162,000	\$15,225
d. OTHER PROFESSIONAL SERVICES (02799)		\$45,000	\$45,000	\$0
e. DEVELOPMENT PROFESSIONAL SERVICES (02799)		\$7,245,000	\$3,770,000	(\$3,475,000)
TOTAL ADMINISTRATION		\$7,706,775	\$4,227,000	(\$3,479,775)
B. PROFESSIONAL & SPECIALIZED SERVICES (2800)				
1. MAINTENANCE SERVICES - BUILDINGS				
a. SCAVENGER SERVICES (Trash Disposal)		\$39,100	\$39,100	\$0
b. JANITORIAL SERVICES (TOOLWORKS)		\$166,150	\$166,150	\$0
c. PEST CONTROL (2803)		\$5,000	\$5,000	\$0
d. GROUNDS MAINTENANCE (RUBICON) (02801)		\$738,490	\$688,490	(\$50,000)
e. MAINTENANCE SERVICES (BUILDING) (02899)		\$175,000	\$50,000	(\$125,000)
f. MAINTENANCE SERVICES (FACILITY) (02800)		\$150,000	\$50,000	(\$100,000)
2. WISC FACILITY (PUBLIC ART HISTORICAL PRESERVATION) (03031)		\$20,000	\$15,000	(\$5,000)
3. RENTS & LEASES - EQUIPMENT (03100-03599)		\$35,000	\$35,000	\$0
4. MATERIALS & SUPPLIES (04000)		\$25,000	\$15,000	(\$10,000)
5. OTHER MATERIAL AND SUPPLIES - PUBLIC SAFETY (04599)		\$25,000	\$15,000	(\$10,000)
6. EQUIPMENT - (050925)		\$28,000	\$0	(\$28,000)
TOTAL PROFESSIONAL & SPECIALIZED SERVICES		\$1,404,740	\$1,078,740	(\$326,000)
C. CITY DEPARTMENT WORK-ORDERS				
GENERAL SERVICES AGENCY (081CA)		\$2,205,729	\$2,205,729	\$0
RISK MANAGEMENT SERVICES (OPERATIONS AND REDEVELOPMENT INSURANCE) (081CB)		\$118,827	\$138,933	\$20,106
GF-CITY ATTORNEY - LEGAL SERVICES OPERATIONS (081CT)		\$998,558	\$998,558	\$0
IS-TIS - ISD SERVICES (081C)		\$26,181	\$26,181	\$0
TIS-DS SERVICES (081CS)		\$487	\$487	\$0
GF-TIS TELEPHONE SERVICES (081ET)		\$13,892	\$13,892	\$0
GF - FIRE (081FC)		\$60,000	\$0	(\$60,000)
MANAGEMENT TRAINING		\$4,740	\$4,740	\$0
IS-CENTRAL SHOPS-AUTO MAINT (AAO) (081PA)		\$7,744	\$7,744	\$0
IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO) (081PF)		\$2,146	\$2,201	\$55
1. GF - PARKING & TRAFFIC (081PK)		\$25,000	\$25,000	\$0
2. IS-PURCH-REPRODUCTION (AAO) (081PR)		\$6,000	\$6,000	\$0
3. GF - POLICE SECURITY (SFPO) (081SP)		\$88,545	\$88,545	\$1
4. GF- POLICE SECURITY (SFPO) (08281)		\$0	\$8,000	\$8,000
5. GF-PUC-HETCH HETCHY (081UH)		\$1,103,850	\$1,136,790	\$33,110
6. SR-OPW-BUILDING REPAIR (081WB)		\$892,327	\$892,327	\$0
7. SR-OPW-BUREAU OF STREET ENVIRONMENTAL SERVICES (081WC)		\$161,766	\$161,766	(\$0)
8. SR-OPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES (081WR)		\$189,715	\$189,715	(\$0)
9. SR-OPW-BUREAU OF URBAN FORESTRY SERVICES (081WU)		\$321,197	\$321,197	(\$0)
10. SR-OPW-BUREAU OF STREET USE & MAPPING (081WB)		\$610,000	\$610,000	\$0
11. ADM - REAL ESTATE SPECIAL SERVICES (DEPT. OF REAL ESTATE- FACILITIES MGMT) (081W6)		\$51,040	\$51,040	\$0
12. HUMAN SERVICES AGENCY (081SS)		\$40,000	\$40,000	\$0
13. DEPARTMENT OF PUBLIC HEALTH (081HE)		\$75,000	\$50,000	(\$25,000)
14. DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (081CH) - TI AFTER SCHOOL PROGRAM		\$168,000	\$168,000	\$0
15. DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (081CH) - TI SUMMER PROGRAM		\$47,747	\$47,747	\$0
TOTAL CITY DEPARTMENT WORK-ORDERS		\$7,214,291	\$7,190,563	(\$23,729)
TOTAL OPERATIONS EXPENDITURES		\$16,325,806	\$12,496,303	(\$3,829,504)
TOTAL REVENUES		\$16,393,585	\$12,503,701	(\$3,889,884)
RESIDUAL FOR RESERVE		\$67,779	\$7,399	(\$60,380)

assumptions:

increase cost associated with landscaping YBI 4th quarter of 2016

1 [Approving the TIDA Annual Budget for FY 2014-2016]

2 **Approving the Budget of the Treasure Island Development Authority Fiscal Years**
3 **2014-15, 2015-16 and Authorizing the Directors of Treasure Island to Enter into Work-**
4 **Orders for Services with other City Departments, Professional Services Contracts**
5 **and Agreements with Service Providers**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America (the "Navy"); and,

9 WHEREAS, The Base was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
20 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
21 as a redevelopment agency under California redevelopment law with authority over the Base
22 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
23 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
24 administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of the Authority as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other powers or authority; and

WHEREAS, As provided under the Authority's Bylaws, the Director of Island Operations has prepared a budget for the Authority for Fiscal Year 2014-2016, a copy of which is attached to this resolution as Exhibit A –Exhibit F (the "FY 2014-2016 Budget Submittal"); now therefore be it

RESOLVED, That the Board of Directors of the Authority hereby adopts and approves the FY 2014-2016 Budget Submittal, and hereby authorizes the Directors of Treasure Island to (1) enter into work orders with City Departments for services that are consistent with the FY2014-2016 Budget, and (2) enter into Professional Service Contracts and (3) Agreements with Service Providers through the FY 2014-16 Budget Cycle.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 14, 2014.

1 [Election of Board Secretary.]

2 **Resolution Approving A New Board Secretary for the Treasure Island Development**
3 **Authority Board of Directors**
4

5 WHEREAS, Under the Treasure Island Development Authority ("TIDA") Bylaws,
6 officers of the Board of Directors (the "Board") are to be chosen annually; and,

7 WHEREAS, At the _____, 2013, TIDA meeting, the Board adopted a
8 resolution establishing Director Del Carlo as Board Secretary for the period from November
9 1, 2013 to October 30, 2014; and,

10 WHEREAS, On March 25, 2014, Director Del Carlo resigned from the TIDA Board and
11 therefore can no longer serve as Secretary; now therefore be it

12 RESOLVED, That the TIDA Board of Directors hereby elects Director
13 _____ to serve as Secretary of the TIDA Board, for a five (5) month period
14 beginning May 14, 2014 and ending October 30, 2014.
15
16
17
18
19

20 **CERTIFICATE OF SECRETARY**

21 I hereby certify that I am the duly elected Chairperson of the Treasure Island
22 Development Authority, a California nonprofit public benefit corporation, and that the
23 above Resolution was duly adopted and approved by the Board of Directors of the
24 Authority at a properly noticed meeting on May 14, 2014
25



AGENDA ITEM 8
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 14, 2014

Subject: Informational Presentation on the Solicitation and Negotiation of a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing (Discussion Item)

Contact Mirian Saez, Director of Island Operations

Phone 415-274-0660

BACKGROUND

At its January 20, 1999 meeting the Authority Board of Directors ("Authority Board") approved a Sublease, Development, Marketing and Property Management Agreement (the "Original Agreement") with the John Stewart Company ("JSCo") for the market rate rental housing on TI/YBI. This Original Agreement was approved by the City's Board of Supervisors at its February 22, 1999 meeting, and was executed effective March 17, 1999.

The Authority Board and the Board of Supervisors approved five subsequent Amendments to the Original Agreement: the First Amendment dated August 15, 2000 amended the Premises; the Second Amendment dated June 12, 2003 amended the Phase 1 and 2 Premises and amended the Rent Schedule; the Third Amendment dated March 22, 2006 extended the term on a month-to-month basis not to exceed the effective date of a Disposition and Development Agreement ("DDA") between the Authority and a master developer for TI/YBI; the Fourth Amendment dated August 8, 2006 increased residential utilities rates; and the Fifth Amendment dated October 14, 2009 deleted requirements regarding earthquake and flood insurance coverage. The Original Agreement, as amended by the First, Second, Third, Fourth and Fifth Amendments, is referred to collectively as the "Agreement."

On April 21, 2011, the Authority Board of Directors ("Authority Board") approved the DDA between the Authority and Treasure Island Community Development LLC ("TICD"). On June 7, 2011, the Board of Supervisors approved the DDA which became effective on July 14, 2011. Pursuant to the Third Amendment to the Agreement, the scheduled term of the Agreement expired on that date but has continued thereafter on a month-to-month holdover basis.

Project Office staff was directed to prepare for solicitation of a new Agreement in March, 2013, and issued a Request for Proposals ("RFP") for Sublease and Property Management of Market-Rate Rental Housing on March 7, 2014. A Pre-Bid Conference was held on March 28, 2014 and the deadline for Responses was 12 Noon on April 18, 2014. One Response was ultimately received, submitted by John Stewart Company, the incumbent. Project Office staff and the

City's Contract Monitoring Division have reviewed the Response and deemed it responsive to the RFP parameters and responsive to the City's 14B Compliance requirements.

JSCo has provided exemplary property management services on behalf of the Authority during the term of the Original Agreement. Throughout the Original Agreement, JSCo has consistently demonstrated a strong institutional knowledge of the complex Island environment, which is vital in assuring an orderly process for residential transition and relocation. Consistency of operation will prove beneficial for managing community coordination and promoting resident retention as on-site development activities commence over the next several years.

Based on development timelines, the current Treasure Island residential neighborhood will remain occupied for an additional ten years or more. Analysis and planning for ongoing maintenance to continue the residential unit's viable lifecycle is a necessary challenge. JSCo's existing knowledge base of the Treasure Island residential portfolio from both its initial development activities and ongoing maintenance of the units under the Agreement provides them a solid foundation to appropriately implement maintenance and repair plans for the continued viability of the existing residential units.

Consistent with the terms of the RFP, Project Office staff has commenced negotiations with JSCo towards a new Sublease and Property Management Agreement (the "Agreement") which will continue JSCo's role as Property Manager of the Authority's Market-Rate Housing Portfolio. The Agreement document shall be in substantially the form of the Original Agreement, revised to reflect staff negotiations and to bring the document up to date with recent revisions to City and County of San Francisco codes, requirements and prohibitions.

PROPOSED TERMS OF SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

Effective Date: Effective date of the Agreement shall be July 1, 2014 or, if later, the date of the Board of Supervisors approval of the Agreement.

Term: The Agreement contemplates a ten (10) year term through June 30, 2024. Project Office staff and JSCo continue negotiations on a potential amendment to the Agreement which would allow the parties to meet-and-confer on any adjustment of Term necessary in the event of unanticipated loss of a majority of the existing rentable units from the current Portfolio.

Management Fee: While the basic structure of a Management Fee equivalent to 3% of Gross Revenues not to exceed \$400,000 annually will remain intact, Project Office staff and JSCo continue negotiations over inclusion of a potential minimum Management Fee amount as well. This minimum "no-less-than" Management Fee provision, calculated appropriate to industry standards, would allow JSCo to both budget for regular annual operations and manage unanticipated Operating Expenses in the event of unexpected loss of additional rentable units from the current Portfolio.

Base Rent and Percentage Rent: The new Agreement will retain the same distribution formula of an annual Base Rent paid to the Authority, adjusted annually by Consumer Price Index, and

will also retain the current “95-5” split of Percentage Revenue, with 95% of the remaining monthly Net Revenue distributed to the Authority and the remaining 5% retained by JSCo after disbursement of Base Rent, Operating Expenses, Replacement Reserve Account funds and Management Fee.

Added Work and Premises Maintenance: The new Agreement would amend Section 8.1 to allow for JSCo support of additional as-needed on-Island maintenance activities when requested by the Authority, including allowance for payment of an agreed upon project-specific Management Fee to JSCo for administrative and insurance costs incurred by JSCo for such additional work.

Form of Rental Agreements: The New Agreement will reflect a new form of the JSCo Rental Agreement with tenants, as proposed by JSCo, and to memorialize the month-to-month nature of this new form of Rental Agreement.

Rental Abatement; Extension of Term: Amend Agreement to allow extension of Agreement, in the event of substantial damage to the Premises, consistent with the period of Abatement and subject to either Party’s right to terminate on 30 days’ notice as set forth in the Agreement.

Additional Amendments: Amend various provisions within Section 34 of the Agreement to bring the document up to date with recent revisions to City and County of San Francisco codes, requirements and prohibitions, including but not limited:

Local Hiring

Pesticide Prohibition

First Source Hiring Ordinance

Sunshine Ordinance

Conflicts of Interest

Campaign Contribution Limitations

Wages and Working Conditions: Add Section 34.8 requiring payment of prevailing wage to any person performing labor in the construction of any repairs, improvements and alterations to the residential units based on the nature of labor performed. JSCo and its subcontractors shall be responsible for assuring such employees shall receive the same benefits as in each case are provided for similar work performed in San Francisco, and shall be required to submit payroll records and labor documentation in the same manner submitted in the City and County of San Francisco and a right to withhold payments and assess penalties will be included.

NEXT STEPS

Based on discussion and feedback received at the May 14th Authority Board meeting, Project Office staff will finalize negotiations with JSCo on a new Agreement, which shall be presented to the Authority Board for review and approval at a subsequent Authority Board meeting.

Prepared by: Peter Summerville, Project Office Staff
For: Mirian Saez, Director of Island Operations



AGENDA ITEM 10
Treasure Island Development Authority
Board of Directors
City and County of San Francisco
Meeting of May 14, 2014

Subject: Resolution approving the Economic Development Conveyance Memorandum of Agreement for the conveyance of former Naval Station Treasure Island to the Treasure Island Development Authority and adopting findings under the California Environmental Quality Act. (Action Item)

Contact: Robert Beck, Treasure Island Director

SUMMARY OF PROPOSED ACTION

The proposed resolution would authorize the Treasure Island Director to execute and perform, upon approval by the Board of Supervisors, the Economic Development Conveyance Memorandum of Agreement ("EDC MOA") between the Treasure Island Development Authority ("TIDA") and the Navy.

BACKGROUND

On April 21, 2011, in a joint session with the San Francisco Planning Commission, the Treasure Island Development Authority ("TIDA") Board of Directors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to the Treasure Island/Yerba Buena Island Development Project (collectively, the "Transaction and Entitlement Documents"), including a Development Agreement ("DA") and a Disposition and Development Agreement ("DDA") with Treasure Island Community Development ("TICD"), adopting environmental findings pursuant to the California Environmental Quality Act ("CEQA"), and by Resolution No. 11-19-04/21, approving a draft form of an EDC Memorandum of Agreement (the "Draft EDC MOA"). On June 7, 2011, the Board of Supervisors approved these same Transaction and Entitlement Documents.

In 2011, The Draft EDC MOA was not finalized, partly due to the lack of a utilities agreement, in part as a result of a CEQA challenge, and other reasons. Over the intervening years, and more intensely over the past several months, TIDA Staff, supported by the City Attorney's office, has negotiated with the Navy to finalize the terms of the EDC MOA and bring the negotiated agreement to the TIDA Board for approval.

The EDC MOA establishes the terms, conditions and schedule governing the transfer of title of the former Naval Station Treasure Island property excluding property to be retained by the U.S. Coast Guard and the U.S. Jobs Corp (the "Base") to TIDA. The EDC MOA is a critical enabling document allowing the transfer and redevelopment of the former base; and, in conjunction with the DA and DDA, create a clear path to title to TICD.

DISCUSSION

In 1993, the former Naval Station Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission ("BRAC"), and in 1997, the Base closed and the TIDA was created to serve as a single entity responsible for the reuse and development of the Base.

TIDA submitted to the Navy an EDC Application and Business Plan for Naval Station Treasure Island dated June 19, 2000 (the "EDC Application"), for an economic development conveyance ("EDC") of the Base and has from time to time amended the EDC Application based on revisions to the Development Plan for Treasure Island.

In the Spring of 2010, TIDA presented to the Treasure Island Citizens Advisory Board ("CAB"), the TIDA Board, and the Board of Supervisors a term sheet, *Terms of Economic Development Conveyance Memorandum of Agreement for Transfer of Property with United States Navy* ("EDC MOA Terms"), which was endorsed by each of those bodies. In August 2010, Mayor Gavin Newsom, House Speaker Nancy Pelosi, and U.S. Secretary of the Navy Ray Mabus also endorsed the terms for the conveyance of the property from the Navy to the City.

Key Terms As Set forth in the 2011 Draft EDC MOA

These endorsed terms were then incorporated into the Draft EDC MOA, which was approved by the TIDA Board and Board of Supervisors in April and June, respectively, of 2011. The Draft EDC MOA outlined the key economic and other terms associated with transferring the property from the Navy to the Authority. Key terms of the Draft EDC MOA included:

- The Navy will receive guaranteed initial consideration of \$55 million, paid in 10 annual \$5.5 million payments, to be paid by TICD per the DDA.
- The Navy will commit to a schedule for transferring property and, if certain benchmarks are not achieved, adjustments would be made to the payment schedule.
- The Authority will provide the Navy security for the initial consideration – in the event TICD does not make payments on the Authority's behalf – by pledging assignment of its existing rent revenues (existing housing and commercial uses) and certain Infrastructure Financing District (IFD) tax increment financing. This pledge to the Navy, however, is subordinate to bondholders, the San Francisco County Transportation Authority (for specified services relating to the Bay Bridge ramps project) and to TICD under the DDA. In all cases, the General Fund will not be required to make purchase price payments and the Navy will not be able to seek payment from the General Fund.
- TICD will pay to the Navy a profit participation, as follows: (1) up to an additional \$50 million from available net revenues if and when private capital achieves an unleveraged 18% return, and (2) 35% of any available net revenues from the project from and after private capital achieves an unleveraged 22.5% return, for a period terminating 25 years after the initial closing.
- The Navy will convey to TIDA the real property consisting of (i) approximately 1,000 acres of upland and submerged lands on Treasure Island and Yerba Buena Island, (ii) all

buildings, facilities, roadways and infrastructure, (iii) all utility infrastructure on and off the island (not including utility lines on the property of other state or federal entities), and (iv) identified personal property owned by the Navy and used at the Base.

- TIDA will be required to accept title to the property tendered by the Navy as long as all closing conditions described in the EDC MOA have been satisfied. If the closing conditions have not been satisfied, TIDA may waive the closing condition or extend the closing for the parcel for a reasonable period of time, but will not be required to accept the property.

The above provisions have not been modified in the EDC MOA now before the TIDA Board.

Following the approval of the 2011 Transaction and Entitlement Documents, including the Draft EDC MOA, the parties did not execute the EDC MOA as some of the provisions were not yet finalized, most importantly certain provisions regarding the transfer of the utility infrastructure. Due to a number of factors, including a CEQA challenge filed in San Francisco Superior Court, the parties did not prioritize finalization of the EDC MOA.

Over the past year, the parties have negotiated and finalized the EDC MOA as the Navy nears the point where it can fulfill the closing conditions for the proposed initial parcel. TIDC has indicated a desire to begin development soon in response to existing market conditions, although they are entitled to CEQA Delay under the DDA and therefore are not required to begin until the CEQA Delay period has elapsed. The final EDC MOA is attached to the resolution accompanying this staff report.

Changes Incorporated Into the Final EDC MOA

The financial and other terms of the agreement described above remain unchanged, but key provisions that were absent from the 2011 Draft EDC MOA have been negotiated and each of the forty-seven exhibits have been reviewed and updated/revised as appropriate. Attached as Exhibit B to this staff report is a memorandum from George Schlossberg & Hilary Jackler of Kutak Rock, LLP, outside counsel to TIDA, summarizing the primary changes between the 2011 Draft EDC MOA and the final EDC MOA proposed for approval. The primary changes relate to (i) the property that is “radiologically impacted”, (ii) the schedule for transfers of land, (iii) the operation and maintenance of utilities and transfer of utility infrastructure, and (iv) the deletion of the pre-closing parcel.

Radiologically Impacted Property

Due to recent discoveries and additional information regarding potentially radiologically impacted property, TIDA negotiated additional closing conditions and tolling provisions relating to radiological contamination into the body of the EDC MOA. Staff has advised the TIDA Board and residents regarding these radiological issues, and will continue to keep the TIDA Board and residents advised of all new information as it becomes available.

The new closing conditions in the EDC MOA require that the State regulators concur with the Navy’s Finding of Suitability to Transfer (“FOST”) and that properties identified as “radiologically impacted” (i.e., subject to further radiological investigation) be released for

unrestricted use relative to radiological matters or have a license exemption. The purpose of these closing conditions is to ensure that property transferred to the City be suitable for development consistent with the Development Plan and not be subject after transfer to regulation under the California Radiation Control Law. The parties also agreed to toll purchase price payments if there are delays in the transfer of specified development parcels due to the Navy's radiological investigation or remediation activities.

The Navy's guiding document in for radiological programs on the Base is the Historical Radiological Assessment ("HRA") prepared in 2006. In late June/July, the Navy is expected to release a Supplemental Technical Memorandum to the HRA (the "HRA STM") updating the assessment to reflect new information gained through field surveys and additional historical record investigations. This HRA STM will identify a number of areas as radiologically impacted, but none of these areas are proposed to be part of the initial land transfer ("Initial Closing Parcel").

Schedule for Transfers

Exhibit R to the EDC MOA, establishing the schedule by which the Navy shall transfer the property, has been updated reflecting Navy's current schedule for environmental work on the Base and reviewed with TIDC for conformance with the planned schedule for development. Per the current schedule in Exhibit R, the Navy will offer Initial Closing Parcel by October 31, 2014 in the condition required by the EDC MOA, and TIDA would have 60 days (i.e., by the end of December) to accept the transfer. Achieving subsequent transfer dates will require that the Navy meet its target schedules for required remediation activities and fulfill its other closing condition obligations.

Utilities Maintenance and Utility Infrastructure Transfers

Additional provisions relating to operation, permitting and transfer of the existing utilities were negotiated, the most significant of these being embodied in the Utilities Agreement, Exhibit E to the EDC MOA, but including other exhibits and provisions of the EDC MOA.

TIDA will continue to assume all responsibility for utilities as set forth in the Cooperative Agreement so long as the Cooperative Agreement remains in effect. The Navy will transfer to TIDA ownership of all utility infrastructure at the same time as the Navy transfers the land that contains the infrastructure. But the Navy will continue to own certain "key infrastructure" that the Navy needs to provide utility service to its retained property until the Developer builds new infrastructure and that infrastructure is duly accepted by a utility provider, such as the SFPUC. Each party will be responsible for any damage that it causes to utility lines serving the other party. The Cooperative Agreement remains terminable by TIDA on 30 days notice, but this termination is very unlikely and may be difficult to rely upon as a practical matter. The Navy has no responsibility to provide utilities and no responsibility to relocate existing tenants.

The utilities agreement also include specific provisions regarding the transfer of permitting responsibility for each of the utility services. In short, TIDA will assume responsibility for permitting the utilities on the land that it acquires at the time of acquisition. The parties agreed

to delay the transfer of permitting responsibility for the existing wastewater treatment facility until the end of 2020. TIDA pushed for this late date with the goal of building a new wastewater treatment facility before this date and therefore never having to be the entity listed on the regulatory permit for this old and difficult to maintain plant. TIDA now must work with the SFPUC on the timing and financing of the replacement facility. While TIDA and SFPUC staff have started discussions on this capital project, no agreement has been reached at this time.

TIDA's utility obligations are subject to appropriation, and TIDA staff agrees that it will seek annual appropriations and required approvals to continue to operate and maintain the utility systems generally consistent with past practices so long as the Cooperative Agreement remains in effect. TIDA also agrees that it will spend all utility revenues it collects on utility-related costs. TIDA will investigate and respond to any utility notices of violation from a regulatory agency. But, if TIDA traces a violation or discharge to a Navy contaminant or responsibility, then the Navy will be required to prospectively assume responsibility for the violation or discharge.

Deletion of the Pre-Closing Parcel

Finally, the original EDC MOA anticipated a "pre-closing transfer" of property required to support the I-80/YBI Westbound Ramps Project before the Initial Closing, but that transfer has already been accomplished. Due to the availability of federal funding and the schedule for completion of the Ramps Project, the Federal Highway Administration transferred the Property to TIDA in 2013 and therefore the parties deleted all references to this pre-closing parcel in the EDC MOA.

Environmental Review

When the Board of Supervisors approved the Transaction and Entitlement Documents for the Project on June 7, 2011, one of their actions was to affirm the Planning Commission's certification of the Final Environmental Impact Report ("FEIR") and adopt CEQA findings of the FEIR, including adopting a mitigation monitoring and reporting program and the statement of overriding considerations (see Exhibit C, Board of Supervisors Resolution No. 0246-11, *CEQA Findings – Treasure Island/Yerba Buena Island Development Project*).

The San Francisco Planning Department has recently reviewed two issues which had been raised regarding the information presented in the FEIR and its conclusions. Environmental Planning staff with the Planning Department reviewed information from the California Department of Public Health regarding radiological materials discovered in the soil on Treasure Island and a United States Geological Survey ("USGS") study of potential tsunami effects (*The SAFRR Tsunami Scenario – Improving Resilience for California*, USGS Fact Sheet 2013-3081, August 2013).

In a memorandum to file dated April 29, 2014, Planning Department staff "concluded that no supplemental or subsequent EIR is required because there are no substantial changes in the project analyzed in the EIR, no changes in circumstances under which the project is being undertaken, and the information presented in the documents provided does not provide new information indicating that new significant impacts would occur or that impacts identified in the

Final EIR as significant impacts would be substantially more severe.” A copy of the Planning Department Memorandum is attached as Exhibit D.

CEQA Challenge

After the Board of Supervisors affirmed the Planning Department Certification of the FEIR, a Petition for Writ of Mandate challenging the environmental review for the Project under the California Environmental Quality Act (“CEQA”) was filed in San Francisco Superior Court on July 18, 2011. The challenge was ultimately dismissed in its entirety by the Court in an Order Denying the Petition for Writ of Mandate on December 14, 2012, but the ruling was appealed to the California Court of Appeal. Written briefs have been filed by the parties and oral argument before the Court is scheduled for May 22, 2014.

Nothing in the lower court ruling or pending appeal would prohibit land transfer and/or development from proceeding, and therefore the City can proceed with implementation of the Project. Because the case is still in litigation, there is some degree of uncertainty. The Court could, in theory, find that the EIR prepared for the Project is inadequate, and invalidate the approvals or fashion some other remedy, but that risk is perceived to be small based upon the Superior Court ruling, and TICD has indicated its intention to proceed in advance of a ruling on the appeal.

Next Steps

If the TIDA Board approves the EDC MOA, it will be submitted to the Board of Supervisors for approval. Upon approval and execution, TIDA expects the Navy to offer the Initial Closing Parcel on or near October 31, 2014, provided that they have met all of the closing conditions. The principle outstanding condition is for the Navy to issue a FOST covering these parcels and secure State (acting through the Department of Toxic Substances Control or “DTSC”) concurrence to the FOST. Before the State can concur with the FOST, the Navy must issue a Remedial Action Completion Report for Site 33 and the HRA STM, both of which should be issued in late June. The State must concur with both of these documents as they may influence the contents of the FOST.

When the Navy meets all of the closing conditions and offers the Initial Closing Parcel to TIDA, TIDA will have 60 days to accept the property. After taking title to the property, TIDA will need to make a land trust exchange with the State Lands Commission covering portions of Treasure Island planned for development that are subject to the Tideland Trust.

In anticipation of the EDC MOA and the initial transfer of property from the Navy to TIDA, TICD has issued Requests for Proposals for consultants to assist in preparation of plans for the First Major Phase and Subphase of development under the DDA. TICD’s development will not begin until after they have submitted to TIDA, and TIDA has approved, applications for the first Major Phase and/or Subphase, as set forth in the DDA. Upon TIDA’s approval of the Phase and Subphase applications, the fulfillment by TICD of other closing obligations, and completion of the Tideland Trust exchange, TIDA would transfer the applicable development parcels of the first Subphase area to TICD, and TICD could begin development. Based on their current schedule, TICD anticipates requesting TIDA approval of the first Subphase application in June

2015. As noted above, TICD is entitled to CEQA Delay and therefore this schedule could be pushed back as determined by TICD in accordance with financial or other constraints, but TICD has indicated their intention to proceed with preparation of the application materials and, upon their approval, to begin development.

RECOMMENDATION

The EDC MOA is the final fundamental agreement that must be executed to enable the transfer and development of the Base to proceed. The proposed agreement secures commitments from the Navy to complete its environmental remediation in a manner and on a schedule that conforms with the reuse plans for the Base.

Staff recommends that the TIDA Board adopt findings under CEQA, approve the EDC MOA, and authorize the Treasure Island Director to execute and perform the EDC MOA upon approval by the Board of Supervisors.

EXHIBITS

- A. Proposed Resolution
 - a. Exhibit A – Draft Economic Development Conveyance Memorandum of Agreement
- B. Memorandum from Kutak Rock, LLP, outside counsel to TIDA, *Summary of Primary Changes in Treasure Island Economic Development Conveyance Memorandum of Agreement – April 2011 VS. April 2014 Drafts*
 - a. Attachment, “red-line” comparison of April 15, 2011 Draft EDC MOA approved by the TIDA Board and Board of Supervisors with the April 29, 2014 Draft EDC MOA proposed for approval
- C. Board of Supervisors Resolution No. 0246-11, *CEQA Findings – Treasure Island/Yerba Buena Island Development Project*
- D. Planning Department April 29, 2014 Memorandum, *Recent Information Regarding Radiological Analysis of Soil Samples on Treasure Island and Recent Communications Regarding Tsunami Issues*

Prepared by Robert Beck



1
2 [Economic Development Conveyance Memorandum of Agreement for Treasure Island]
3 **Resolution approving the Economic Development Conveyance Memorandum of**
4 **Agreement for the Transfer of Former Naval Station Treasure Island from the United**
5 **States Government to the Treasure Island Development Authority and adopting**
6 **findings under the California Environmental Quality Act.**

7 WHEREAS, Former Naval Station Treasure Island is a military base located on
8 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
9 the United States of America, acting by and through the Department of the Navy (the "Navy");
10 and,

11 WHEREAS, Treasure Island was selected for closure and disposition by the Base
12 Realignment and Closure Commission in 1993, acting under Public Law 101-510 and its
13 subsequent amendments; and,

14 WHEREAS, Pursuant to the power and authority provided by the Defense Base
15 Closure and Realignment Act of 1990, 10 U.S.C. § 2687, as amended, the Navy is authorized
16 to convey surplus property at a closed military installation for economic development
17 purposes; and,

18 WHEREAS, The United States Department of Defense designated the City and County
19 of San Francisco ("City") as the Local Reuse Authority ("LRA") responsible for the conversion
20 of the Base under the federal disposition process; and,

21 WHEREAS, In July 1996, after an extensive community planning effort, a draft reuse
22 plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of
23 Supervisors, the Planning Commission and the Treasure Island Citizens Reuse Committee;
24 and,
25

1 WHEREAS, In 1997, the Base closed and the Treasure Island Development Authority
2 ("TIDA") was created to replace the City as the LRA and to serve as a single entity
3 responsible for the reuse and development of the Base; and,

4 WHEREAS, TIDA, acting by and through its Board of Directors (the "TIDA Board"),
5 submitted to the Navy an EDC Application and Business Plan for Naval Station Treasure
6 Island dated June 19, 2000, as amended on July 1, 2003 (the "EDC Application"), for an
7 economic development conveyance ("EDC") of the Base; and,

8 WHEREAS, In 2003, after a competitive bid process, the TIDA Board selected
9 Treasure Island Community Development, LLC (the "Developer") as the proposed master
10 developer of the Base (excluding certain property to be retained by the U.S. Coast Guard and
11 the U.S. Job Corps); and,

12 WHEREAS, In 2006, a Development Plan and Term Sheet for the Redevelopment of
13 Naval Station Treasure Island (as updated from time to time, the "Development Plan")
14 between TIDA and the Developer was endorsed by the CAB, the TIDA Board and the City's
15 Board of Supervisors; and,

16 WHEREAS, In 2007, TIDA submitted an amended and restated EDC Application (the
17 "Amended EDC Application") to the Navy based on the Development Plan and proposed a
18 profit participation mechanism as part of the purchase price; and,

19 WHEREAS, In April 2010, the Board of Supervisors unanimously voted to endorse a
20 term sheet for the proposed EDC by Resolution No. 243-10, which term sheet addressed key
21 terms of the proposed EDC, including the conveyance process, the consideration payable to
22 the Navy, including the profit participation mechanism, and certain controls required by the
23 Navy relating to the economic performance of the Project; and,

1 WHEREAS, In August 2010, Mayor Gavin Newsom, House Speaker Nancy Pelosi, and
2 U.S. Secretary of the Navy Ray Mabus endorsed the terms of the proposed conveyance of
3 the Base from the Navy to TIDA; and,

4 WHEREAS, On April 21, 2011, the TIDA Board of Directors unanimously made certain
5 environmental findings under the California Environmental Quality Act ("CEQA") and approved
6 a package of legislation in furtherance of the development project (the "Project"), including a
7 mitigation and monitoring and reporting program, a disposition and development agreement
8 (the "DDA") with the Developer and, by Resolution No. 11-19-04/21, a draft form of an EDC
9 Memorandum of Agreement (the "Draft EDC"); and,

10 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
11 certification of the final environmental impact report and made certain environmental findings
12 under CEQA (collectively, the "FEIR") by Resolution No. 246-11, and approved a package of
13 legislation in furtherance of the Project, including a development agreement with the
14 Developer and, by Resolution No. 0242-11, the Draft EDC; and,

15 WHEREAS, TIDA and the Navy have completed negotiations for the EDC, including
16 the utilities agreement, a copy of which is attached as Exhibit A to this Resolution (the "EDC
17 MOA"), which is hereby declared to be a part of this Resolution as if set forth fully herein; and,

18 WHEREAS, The EDC MOA and the DDA are structured so that the Developer will
19 make all payments to the Navy on behalf of TIDA, and the City's General Fund is insulated
20 from any obligation to pay; and,

21 WHEREAS, The main changes from the previously-approved Draft MOA and the EDC
22 MOA are (1) the addition of language relating to the Navy's obligations with respect to certain
23 radiologically impacted property, (2) the addition of the utilities agreement and provisions
24 relating to the delivery of utility services during the phased transfer of the Base to TIDA, (3)
25 revisions to the schedule for the conveyance of property, and (4) the deletion of the "pre-

1 closing parcel", which already transferred to TIDA in connection with the Bay Bridge ramps
2 project; and,

3 WHEREAS, The Planning Department prepared a Memorandum entitled "Recent
4 Information Regarding Radiological Analysis of Soil Samples on Treasure Island and Recent
5 Communications Regarding Tsunami Issues," which it finalized and sent to the Treasure
6 Island Director on April 29, 2014 (the "4/29/14 Memorandum"); and,

7 WHEREAS, In the April 29 Memorandum the Planning Department concluded that no
8 supplemental or subsequent EIR was required because there are no substantial changes in
9 the project analyzed in the FEIR, no changes in circumstances under which the project is
10 being undertaken, and no new information indicating that new significant impacts would occur,
11 or that the impacts identified in the FEIR as significant impacts would be substantially more
12 severe; and,

13 WHEREAS, The TIDA Board reviewed and considered the information contained in the
14 FEIR, the 4/29/14 Memorandum, and all written and oral information provided by the Planning
15 Department, the public, relevant public agencies, and the administrative files for the Project;
16 now, therefore, be it

17 RESOLVED, The TIDA Board has reviewed and considered the FEIR, the 4/29/14
18 Memorandum, and record as a whole, finds that the FEIR is adequate for its use as the
19 decision-making body for the action taken herein and incorporates the CEQA findings
20 contained in Board of Supervisors Resolution No.246-11 by this reference; and be it further

21 RESOLVED, The TIDA Board further finds that since the FEIR was finalized, there
22 have been no substantial project changes and no substantial changes in project
23 circumstances that would require major revisions to the FEIR due to the involvement of new
24 significant environmental effects or an increase in the severity of previously identified
25

1 significant impacts, and there is no new information of substantial importance that would
2 change the conclusions set forth in the FEIR; and be it further

3 RESOLVED, That the TIDA Board of Directors approves the EDC MOA and authorizes
4 the Treasure Island Director to execute, deliver and perform the EDC MOA, subject to Board
5 of Supervisors approval of the EDC MOA; and be it-further

6 RESOLVED, That the TIDA Board of Directors authorizes and urges the Treasure
7 Island Director, before execution of the EDC MOA, to make changes and take any and all
8 steps as the Treasure Island Director determines, in consultation with the City Attorney, are
9 necessary or appropriate to consummate the EDC MOA in accordance with this Resolution,
10 provided that such changes and steps do not materially decrease the benefits to or materially
11 increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws;
12 and be it further

13 RESOLVED, That all actions heretofore taken by TIDA and its officers, employees, and
14 agents with respect to the EDC MOA are hereby approved, confirmed and ratified; and be it
15 further

16 RESOLVED, That the TIDA Board of Directors authorizes and urges all officers,
17 employees, and agents of TIDA and the City to take any and all steps as they deem
18 necessary or appropriate, to the extent permitted by applicable law, in order to consummate
19 the EDC MOA in accordance with this Resolution, including execution of subsequent
20 documents and acceptance of real property from the Navy, or to otherwise effectuate the
21 purpose and intent of this Resolution and TIDA's performance under the EDC MOA, provided,
22 the Treasure Island Director shall not waive any closing conditions relating to the
23 environmental condition of the property without the prior approval of the TIDA Board and the
24 Board of Supervisors; and be it-further

RESOLVED, That the TIDA Board of Directors authorizes the Treasure Island Director to enter into any amendments or modifications to the EDC MOA that the Treasure Island Director determines, in consultation with the City Attorney, are in the best interest of TIDA, do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 14, 2014.

Secretary

KUTAK ROCK LLP
SUITE 1000
1101 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-4374
202-828-2400
FACSIMILE 202-828-2488
www.kutakrock.com

ATLANTA
CHICAGO
DENVER
FAYETTEVILLE
IRVINE
KANSAS CITY
LITTLE ROCK
LOS ANGELES
MINNEAPOLIS
OKLAHOMA CITY
OMAHA
PHILADELPHIA
RICHMOND
SCOTTSDALE
WICHITA

MEMORANDUM

TO: MR. BOB BECK

FROM: GEORGE SCHLOSSBERG, ESQ.
HILARY JACKLER, ESQ.

DATE: MAY 9, 2014

RE: SUMMARY OF PRIMARY CHANGES IN TREASURE ISLAND
ECONOMIC DEVELOPMENT CONVEYANCE MEMORANDUM OF
AGREEMENT – APRIL 2011 VS. APRIL 2014 DRAFTS

As discussed, we reviewed (1) the draft *Economic Development Conveyance Memorandum of Agreement Between the United States of America and the Treasure Island Development Authority for the Conveyance of the Naval Station Treasure Island* (“**EDC Agreement**”) draft dated April 15, 2011 (“**2011 Draft**”) that was approved by the City and County of San Francisco Board of Supervisors (“**Supervisors**”), and (2) the draft EDC Agreement dated April 29, 2014 (“**Current Draft**”).

A “Red-Line” comparison showing all changes between the 2011 Draft and the Current Draft is attached for your reference.¹ Based upon your request, we attempted to identify the primary substantive changes between the 2011 Draft and the Current Draft. Clearly, there are many changes and we defer to you for a determination of what is substantive and necessary to identify for the Supervisors; accordingly, we offer for your consideration, the following summary of substantive issues:

1. **Additional Closing Conditions Relating to Radiological Contamination** – The Current Draft provides additional protections so that the Treasure Island Development Authority (“**TIDA**”) is not obligated to accept property identified as impacted by radiological contamination unless certain additional conditions are met. The following are included as new closing conditions which must be satisfied prior to the transfer of property to TIDA: (i) the California Department of Toxic Substances Control must concur in writing on any Finding of Suitability to Transfer, (ii) if any portion of the property is identified by the Navy and the State of California as impacted by radiological

¹ The red text represents deleted items, the blue text represents new items, and the green text represents relocated items.

SUMMARY OF EDC AGREEMENT CHANGES

May 9, 2014

Page 2.

contamination, the Navy must obtain written assurance from the State of California that the environmental condition of such sites complies with all applicable laws and will not be subject to regulation after transfer under the California Radiation Control Law (i.e., such site shall have a license exemption or release for unrestricted use with respect to radiological issues), (iii) certain actions must be taken with respect to Site 33 in the event that any required actions related to radiological contamination are identified prior to the Initial Closing, and (iv) no Regulatory Authority shall have required additional screening, investigation, remediation or restrictions related to radiological contamination (other than employee health and safety play screening to be conducted by a contractor prior to or during construction) beyond those set forth in the Finding of Suitability to Transfer for such parcel. The failure by the Navy to satisfy a Closing Condition, by itself, does not result in a Navy default or breach under the Agreement, but it does trigger additional rights and options for TIDA.

2. **Additional Reasons for the Tolling of Consideration Relating to Radiological Contamination** – The Current Draft permits TIDA to delay the payment of consideration to the Navy if the Navy does not satisfy certain new and additional performance benchmarks. Benchmarks are included for Parcel 21, Parcel 30, Parcel 30N, Parcel 30S, Parcel 31, Parcel 24A, the Building 3 Parcel, the Building 233 Parcel, and the UC1 and UC2 utility corridors (all as shown on Exhibit B-7 to the EDC Agreement) and relate to a delay in transfer due to the (i) Navy and State of California determining that any such parcels have been impacted by radiological contamination prior to transfer, and (ii) such determination results in the Navy having to take additional actions to address radiological contamination. Additionally, another section of the Current Draft discusses the possibility of entering into an agreement pursuant to 10 U.S.C. 2701(d), such as an Environmental Services Cooperative Agreement, in the event that property transfer is delayed due to additional screening, investigation or remediation related to radiological contamination.
3. **Conveyance of Utilities to TIDA** – The Current Draft contains language extensively negotiated among TIDA, the San Francisco Public Utilities Commission, the Navy and the Coast Guard with respect to the transfer of utility infrastructure and the provision of utilities at Treasure Island. In summary, Article 9 of the EDC Agreement provides:
 - a. With the exception of certain identified “key infrastructure,” the Navy will transfer utility infrastructure within each parcel at the same time such parcel is conveyed to TIDA.
 - b. The Navy is reserving certain non-exclusive easements for the use, inspection, operation, maintenance, repair and replacement of the utility infrastructure over certain identified portions of the property which were determined to be critical for continuity of utility service to the Coast Guard. These easements will terminate automatically when new utility infrastructure is installed and such infrastructure is

SUMMARY OF EDC AGREEMENT CHANGES

May 9, 2014

Page 3.

dedicated to and accepted by a public utility, and the Coast Guard can connect to such new infrastructure in accordance with the public utility's standard terms and conditions of service.

- c. A form Utilities Agreement consistent with Article 9 is being attached to the EDC Agreement as Exhibit E and will be executed by TIDA and the Navy simultaneously with the execution of the EDC Agreement. The existing Caretaker Agreement will terminate automatically with respect to the real property transferred to TIDA, and the Caretaker Agreement will remain in effect for those portions of the property retained by the United States (or to any existing utility lines or retained easements required to maintain service to such property under the Caretaker Agreement).
 - d. During the term of the Caretaker Agreement and consistent with TIDA's past practice and past annual expenditures, TIDA staff shall seek appropriations and any required approvals to continue to operate and maintain the Utility Infrastructure. Additionally, TIDA shall expend all revenues received by TIDA from the delivery of utility services at Treasure Island on utility-related costs at Treasure Island.
 - e. It is the objective that utility services to all occupants of Treasure Island and Yerba Buena Island, including the Coast Guard, shall be available during the normal course of development until such time as the responsibility for providing a specific utility service is assumed by a public utility. Nevertheless, given its current state and the time period for development, TIDA cannot guarantee the continued and uninterrupted availability of utility service.
4. **Update and/or Completion of Exhibits** – Since the 2011 Draft, TIDA and the Navy have worked together to complete drafts of all exhibits to be attached to the EDC Agreement. Throughout this process, the exhibits have evolved as the Parties acquired additional information and made further plans with respect to redevelopment. Most notably, Exhibit B-2 sets forth the property that TIDA will acquire from the Navy at the Initial Closing, Exhibit R sets forth the projected conveyance schedule for the remainder of the property to be transferred to TIDA, and Exhibit E contains the form Utilities Agreement.
5. **Deletion of Pre-Closing Parcel** – The 2011 Draft identified a parcel referred to as the "Pre-Closing Parcel." This property was always contemplated to be conveyed to TIDA, but the additional language provided a structure for TIDA to receive this parcel in advance of the Initial Closing, thereby permitting construction of the bridge ramps using Federal grant funds to begin earlier. However, due to looming grant deadlines, this property was appropriated by the Federal Highway Administration and conveyed by deed

SUMMARY OF EDC AGREEMENT CHANGES

May 9, 2014

Page 4.

to TIDA in 2013. Accordingly, all references to the Pre-Closing Parcel have been removed from the Current Draft.

Other minor changes incorporated in the Current Draft are reflected in the attached red-line comparison, including (i) correction of the final acreage amounts following input from the Navy, (ii) clarifications regarding the Navy's continued use of an office on Treasure Island, (iii) additional information regarding the assignment of easements, contracts and permits, (iv) modifications to the reporting requirements to be consistent with the Development and Disposition Agreement, and (v) various conforming/clean-up changes.

Please do not hesitate to contact George Schlossberg directly at 202-828-2418 or george.schlossberg@kutakrock.com or Hilary Jackler directly at 202-828-2470 or hilary.jackler@kutakrock.com with any questions.

G.R.S. & H.A.J.

Attachment: as stated.

cc. with attachment: Charles Sullivan, Esq.

**CONFIDENTIAL DOCUMENT
REAL PROPERTY NEGOTIATION**

(CA GOVERNMENT CODE SECTION 54956.8)

Attorney-Client Privilege

The validity of this Agreement is expressly and wholly contingent upon the execution of this Agreement by all parties. In the event that any party hereto refuses or otherwise fails to execute this Agreement, all parties hereto acknowledge and agree that this Agreement shall be a nullity, and the rights and obligations of the respective parties shall remain as they are without this Agreement.

(To be Removed Upon Execution)

ECONOMIC DEVELOPMENT CONVEYANCE

MEMORANDUM OF AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR THE CONVEYANCE OF

THE NAVAL STATION TREASURE ISLAND

ECONOMIC DEVELOPMENT CONVEYANCE
MEMORANDUM OF AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE TREASURE ISLAND DEVELOPMENT AUTHORITY
FOR THE CONVEYANCE OF
THE NAVAL STATION TREASURE ISLAND

INDEX

ARTICLE 1 DEFINITIONS.....	3
ARTICLE 2 ECONOMIC DEVELOPMENT CONVEYANCE	3
ARTICLE 3 CONVEYANCE SCHEDULE AND TRANSFERS	4
ARTICLE 4 CONSIDERATION	12 14
ARTICLE 5 CONTROLS.....	21 22
ARTICLE 6 CONTRACTS <u>DEVELOPMENT</u> AND PERMITS <u>DISPOSITION AGREEMENT</u>	32
ARTICLE 7 EASEMENTS, <u>CONTRACTS, PERMITS</u> AND OTHER SIMILAR INSTRUMENTS	
ARTICLE 8 CLOSING AND SETTLEMENT.....	34 35
ARTICLE 9 <u>UTILITY INFRASTRUCTURE AND</u> UTILITIES AGREEMENT.....	36 38
ARTICLE 10 TIME OF THE ESSENCE AND POSTPONEMENT	37 41
ARTICLE 11 ENVIRONMENTAL REPORTS	37 42
ARTICLE 12 DELIVERY OF THE NAVY REAL PROPERTY DOCUMENTS.....	38 42
ARTICLE 13 NAVY CARETAKER SITE OFFICE.....	38 43
ARTICLE 14 NAVY REPRESENTATIONS	39 44
ARTICLE 15 AUTHORITY REPRESENTATIONS	39 44
ARTICLE 16 TITLE AND NAVY COVENANTS.....	40 44
ARTICLE 17 ENVIRONMENTAL PROVISIONS.....	40 45
ARTICLE 18 PETROLEUM CORRECTIVE ACTION	41 46
ARTICLE 19 COVENANT AGAINST CONTINGENT FEES.....	41 46
ARTICLE 20 NOTICES	42 47
ARTICLE 21 PRIOR LIABILITIES.....	43 48
ARTICLE 22 AUTHORITY'S AVAILABILITY OF FUNDS	43 48
ARTICLE 23 FINALITY OF CONVEYANCE.....	44 49
ARTICLE 24 LIABILITY FOR ENVIRONMENTAL CONTAMINATION	44 49

1	ARTICLE 25 SHORT FORM NOTICE	44 <u>49</u>
2	ARTICLE 26 FURTHER ASSURANCES	45 <u>50</u>
3	ARTICLE 27 DISPUTE RESOLUTION PROCEDURES	45 <u>50</u>
4	ARTICLE 28 SURVIVAL AND BENEFIT	49 <u>54</u>
5	ARTICLE 29 INTERPRETATION	49 <u>55</u>
6	ARTICLE 30 NON-DISCRIMINATION	50 <u>56</u>
7	ARTICLE 31 AVAILABILITY OF FUNDS	51 <u>56</u>
8	ARTICLE 32 MODIFICATION; WAIVERS	51 <u>56</u>
9	ARTICLE 33 REMEDIES FOR NONPERFORMANCE	51 <u>56</u>
10	ARTICLE 34 FAILURE TO INSIST ON COMPLIANCE	51 <u>57</u>
11	ARTICLE 35 RISK OF LOSS	52 <u>57</u>
12	ARTICLE 36 COUNTERPARTS	52 <u>57</u>
13		
14		

EXHIBITS

DEFINITIONS.....EXHIBIT A

DESCRIPTION OF PROPERTY:

~~MAP OF PARCEL DESIGNATIONS~~RESERVED.....EXHIBIT B-1

FOST PARCELEXHIBIT B-2

REMAINDER PARCELEXHIBIT B-3

RESERVEDEXHIBIT B-4

SITE 12 DEVELOPMENT PARCELEXHIBIT B-5

BUILDING 233 DEVELOPMENT PARCELEXHIBIT B-6

~~PROPERTY SUBJECT TO LIFOC, EASEMENT, OR OTHER~~

~~DEVELOPABLE AREAS OF PARCELS 21, 24, 30, 30N, 30S, 31,~~

~~UTILITY CORRIDORS UC1 AND UC2, BUILDING 3, AND~~

~~INSTRUMENT PRIOR TO INITIAL CLOSING~~BUILDING 233 EXHIBIT B-7

~~HISTORIC DISTRICT~~.....EXHIBIT B-8

RESERVEDEXHIBIT C

FORM OF QUITCLAIM DEEDS: FOST PARCEL DEED.....EXHIBIT D-1

~~REMAINDER PARCEL~~.....EXHIBIT D-2

~~PRE-CLOSING PARCEL~~.....EXHIBIT D-3

~~EXCLUDED PERSONAL PROPERTY~~FORM OF UTILITIES AGREEMENT EXHIBIT E

MARINA PROPERTYEXHIBIT F

NEPA RECORD OF DECISIONEXHIBIT G

FORM OF BILLS OF SALE:

BILL OF SALE FOR PERSONAL PROPERTY.....EXHIBIT H-1

BILL OF SALE FOR UTILITY INFRASTRUCTURE.....EXHIBIT H-2

EASEMENTS, CONTRACTS, LICENSES AND PERMITS:

ASSIGNABLE EASEMENTS, CONTRACTS, LICENSES

AND PERMITS.....EXHIBIT I-1

~~FORM OF ASSIGNMENT OF EASEMENTS~~RESERVED.....EXHIBIT I-2

~~UTILITY EASEMENTS~~RESERVED.....EXHIBIT I-3

~~ACCESS EASEMENTS~~RESERVED.....EXHIBIT I-4

NON-ASSIGNABLE EASEMENTS AND UNPERFECTED

EASEMENTS, CONTRACTS, LICENSES AND PERMITS.....EXHIBIT I-5

~~NAVY ACCESS EASEMENTS~~RESERVED.....EXHIBIT I-6

NON-ASSIGNABLE AND UNPERFECTED ~~EASEMENT~~EASEMENTS

CONTRACTS, LICENSES AND PERMITS RELATED TO THE
PROVISION OF ELECTRICITYEXHIBIT I-7

~~POST~~RESERVEDEXHIBIT J

NAVY CARETAKER SITE OFFICE:

~~CURRENT~~ NAVY CARETAKER SITE OFFICE ~~LOCATION~~EXHIBIT K-1

NAVY OFFICE ~~AGREEMENT~~ PROVISIONSEXHIBIT K-2

GREAT WHITES LOCATIONEXHIBIT K-3

RESERVEDEXHIBIT L

SHORT FORM NOTICE OF CONVEYANCEEXHIBIT M

FORM OF REPRESENTATIONS:

NAVYEXHIBIT N-1

AUTHORITYEXHIBIT N-2

~~FEDERAL FACILITIES SITE REMEDIATION AGREEMENT~~ RESERVEDEXHIBIT O

CERTIFICATION RESOLUTIONSEXHIBIT P

~~NATIONAL~~

HISTORIC MOAs:

NATIONAL HISTORIC PRESERVATION ACT MOA OF

28 MAY 2003EXHIBIT Q-1

NATIONAL HISTORIC PRESERVATION ACT MOA OF

19 MAY 2011EXHIBIT Q-2

PROPERTY CONVEYANCE SCHEDULEEXHIBIT R

AUCTION BIDDER SELECTION GUIDELINES:

FOR RESIDENTIAL LOTSEXHIBIT S-1

~~AUCTION BIDDER SELECTION GUIDELINES~~

FOR COMMERCIAL LOTSEXHIBIT S-2

PRELIMINARY TITLE REPORTEXHIBIT T

TITLE EXCEPTIONS TO BE REMOVED, RELEASED OR INSUREDEXHIBIT U

RESERVEDEXHIBIT V

RESERVEDEXHIBIT W

APPRAISAL INSTRUCTIONS:

DEVELOPER FOR RESIDENTIAL LOTS	EXHIBIT X-1
JV LOTS RESERVED	EXHIBIT X-2
NON-CRITICAL FOR COMMERCIAL LOTS	EXHIBIT X-3
DEVELOPED CRITICAL COMMERCIAL LOTS	EXHIBIT X-4
QUALIFIED APPRAISER POOL	EXHIBIT Y

~~ILLUSTRATIVE~~

LAND USE PLANS:

<u>REUSE PLAN LAND USES</u>	EXHIBIT Z-1
<u>DDA LAND USE PLAN</u>	EXHIBIT Z-2

ECONOMIC DEVELOPMENT CONVEYANCE APPLICATION	EXHIBIT AA
---	------------

~~FORM OF ASSIGNMENT AND ACCEPTANCE OF ASSUMED~~

CONTRACTS RESERVED	EXHIBIT BB
-------------------------------------	------------

SECOND TIER PARTICIPATION CALCULATION <u>RESERVED</u>	EXHIBIT CC
--	------------

EXAMPLE OF IRR CALCULATION <u>METHODOLOGY</u>	EXHIBIT DD
--	------------

FORM OF UTILITIES AGREEMENT <u>RESERVED</u>	EXHIBIT EE
--	------------

GUIDELINES FOR RESIDENTIAL AUCTION LOT SELECTION	EXHIBIT FF
--	------------

PRE-APPROVED ARBITERS LIST	EXHIBIT GG
----------------------------------	------------

~~FORM OF SECURITY~~

PROMISSORY NOTE FOR PRE-CLOSING PARCEL	
CONSIDERATION	EXHIBIT HH-1
NON-RECOURSE DEED OF TRUST FOR HISTORIC DISTRICT	EXHIBIT HH-2
PROMISSORY NOTE FOR INITIAL CONSIDERATION	EXHIBIT HH-3

FORM OF ASSIGNMENT OF RENTS	EXHIBIT II
-----------------------------------	------------

FORM OF SUBORDINATE PLEDGE <u>AGREEMENT</u>	EXHIBIT JJ
---	------------

EXAMPLE OF PREDEVELOPMENT <u>PRE-DEVELOPMENT</u> COSTS CALCULATION	EXHIBIT KK
---	------------

LIST OF MASTER LEASES	EXHIBIT LL
-----------------------------	------------

UTILITIES EASEMENT AREAS:

<u>EASEMENT AREA FOR WATER LINES</u>	EXHIBIT MM-1
<u>EASEMENT AREA FOR ELECTRIC LINES</u>	EXHIBIT MM-2
<u>EASEMENT AREA FOR NATURAL GAS LINES</u>	EXHIBIT MM-3
<u>EASEMENT AREA FOR WASTEWATER LINES</u>	EXHIBIT MM-4

ECONOMIC DEVELOPMENT CONVEYANCE
MEMORANDUM OF AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE TREASURE ISLAND DEVELOPMENT AUTHORITY
FOR THE CONVEYANCE OF
THE NAVAL STATION TREASURE ISLAND

This Agreement (hereinafter referred to as the "Agreement") is entered into this ____ day of ~~2011~~, 2014 (the "Effective Date"), between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy (the "Navy"), and the TREASURE ISLAND DEVELOPMENT AUTHORITY (the "Authority"), recognized as the Local Redevelopment Authority by the Office of Economic Adjustment on behalf of the Secretary of Defense with regard to the disposition and conveyance of portions of Naval Station Treasure Island, San Francisco, California. The Navy and the Authority are each sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS:

1. In 1993, the Defense Base Closure and Realignment Commission recommended the closure of Naval Station Treasure Island ("Treasure Island") located within the City and County of San Francisco, California (the "City") and consisting of approximately ~~one thousand one hundred and forty-one (1,041) / one thousand and seventy-five (1,075)~~ ~~to be confirmed by Navy mapping dept. eighty-seven (1,187)~~ acres of real property, together with the buildings, improvements and related and other personal property located thereon and all rights, easements and appurtenances thereto.

2. (a) Pursuant to the power and authority provided by § 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, 10 U.S.C. § 2687 note, as amended, and the implementing regulations of the Department of Defense (32 C.F.R. Part ~~175~~ 174), the Secretary of the Navy is authorized to convey surplus property at a closing installation to the Local Redevelopment Authority for economic development purposes. By its "EDC Application and Business Plan for Naval Station Treasure Island" dated June 19, 2000, as amended on July 1, 2003, and amended and restated in its entirety on July 23, 2007, and as further amended by its application dated ~~June 30, 2010~~, as further amended on ~~August 16, 2011~~, the Authority applied for an Economic Development Conveyance ("EDC") of approximately ~~one thousand and thirty-three (1,033) / nine one hundred and ninety-six (996)~~ ~~to be confirmed by Navy mapping dept. eight (1,108)~~ acres of Treasure Island ("EDC Application Property") together with existing Navy owned off-site utilities serving Treasure Island (the "EDC Application"), to be used and redeveloped in accordance with the "Draft Reuse Plan for Naval Station Treasure Island" ("Reuse Plan") as endorsed by the City Planning Commission and the City's Board of Supervisors in July 1996 and approved by the United States

Department of Housing and Urban Development on November 26, ~~1996, as shown on the~~
~~"Illustrative Land Use Plan" in the Authority's EDC Application, 1996.~~

(b) ~~The Illustrative Land Use Plan reflects~~ Following refinements to the Reuse Plan ~~described in land uses, attached hereto as Exhibit Z-1, and the execution of~~ the Development Plan and Term Sheet for the Redevelopment of Former Naval Station Treasure Island endorsed by the Authority's Board of Directors in October 2006 and the City's Board of Supervisors in December 2006, as updated by the Update to Development Plan and Term Sheet for the Redevelopment of Former Naval Station Treasure Island endorsed by the Authority's Board of Directors on April 7, 2010 and the City's Board of Supervisors on May 18, ~~2010. The~~
~~Illustrative Land Use Plan 2010, the Authority entered into a Disposition and Development Agreement ("DDA") with the Developer on June 28, 2011. Attached to the DDA is an updated~~
~~land use plan which~~ provides for a new development program consisting of up to 8,000 residential units, approximately 500 hotel rooms, and commercial space of approximately 511,000 square feet, among other things ~~("DDA Land Use Plan"), which is attached hereto as~~
~~Exhibit Z-2 and is reflected in the Authority's final EDC Application.~~

(c) The Navy ~~has~~ approved the Authority's EDC Application on ~~October 7,~~ 2011, attached hereto as ~~Exhibit AA for approximately~~
~~acres of Treasure Island and Yerba Buena Island.~~

(d) The consideration for conveyance of the Navy Property, as set forth herein, has been structured to achieve an amount at least equal to the fair market value of the Navy Property.

3. In accordance with the provisions of the Community Environmental Response Facilitation Act, the Navy prepared Environmental Baseline Surveys ("EBSs") for ~~the Navy Real Property Treasure Island,~~ copies of which have been provided to the Authority. Subsequently, the Navy prepared a Supplemental Environmental Baseline Survey ("SEBS") ~~for inclusive of the Navy Real EDC Application~~ Property dated ~~July 8, 2005,~~ a copy of which has been provided to the Authority. ~~In accordance with DOD Policy on the Environmental Review Process to Reach a The Navy prepared~~ Finding of Suitability to Transfer ("FOST") ~~for Property Where Release or Disposal Has Occurred, the Navy prepared FOSTs documents~~ dated February 15, 2006, March 22, 2006, and ~~20,~~ attached hereto as ~~Exhibit J January 3, 2012, copies of which have been provided to the Authority.~~

4. For purposes of this Agreement, the Parties shall treat the Navy Real Property as two (2) separate parcels (that may be further subdivided into sub-parcels). Said parcels are identified as the "FOST Parcel", substantially as described on Exhibit B-2, and the "Remainder Parcel" substantially as described on Exhibit B-3 (collectively, the "Parcels", and each a "Parcel", ~~as shown on the map of parcel designations attached hereto as Exhibit B-1).~~

5. In accordance with the provisions of the National Environmental Policy Act ("NEPA") of 1969, as amended, the Navy prepared an Environmental Impact Statement ("EIS") for the disposal and reuse of ~~the Navy Real Property Treasure Island.~~ A Record of Decision

1 ("NEPA ROD") regarding the disposal and reuse of ~~the Navy Real Property~~ Treasure Island was
2 issued on the 26th day of October, 2005 and is attached to this Agreement as Exhibit G.

3
4 6. In accordance with the provisions of the California Environmental Quality Act
5 ("CEQA"), as amended, the Authority and the City, as co-lead agencies, have prepared a
6 project-level Environmental Impact Report ("EIR") for the ~~Illustrative~~ DDA Land Use Plan and
7 related documents and actions. The Authority certified the EIR as complete and the Planning
8 Commission certified the EIR as complete on ~~_____~~ April 21, 2011 (collectively, the
9 "Certification"). The Certification resolutions are attached hereto as Exhibit P.

10
11 7. In accordance with the provisions of the National Historic Preservation Act, the
12 Navy determined that the disposal of ~~the Navy Real Property~~ Treasure Island, as hereinafter
13 defined, will have an effect upon those portions of ~~the Navy Real Property~~ Treasure Island that
14 are listed ~~and eligible for listing~~ in the National Register of Historic Places. A Memorandum of
15 Agreement between the Department of the Navy and the California State Historic Preservation
16 Officer ("SHPO") was executed on the 28th day of May, 2003, ~~and sets forth in full all~~
17 ~~obligations of the signatories under 2003~~ (attached hereto as Exhibit O-1), ~~and, together with the~~
18 Memorandum of Agreement between the California Department of Transportation and SHPO,
19 dated the 19th day of May, 2011 (attached hereto as Exhibit O-2), ~~takes into account the effect of~~
20 ~~the undertaking on historic properties in accordance with~~ the National Historic Preservation Act
21 and implementing regulations, ~~and is attached hereto as~~ Exhibit Q.

22
23 8. In accordance with the provisions of that certain Base Caretaker Cooperative
24 Agreement first dated March 12, 1997 and as further modified ("Caretaker Agreement") and
25 those certain Master Leases by and between the Authority and the Navy described on Exhibit
26 LL, the ~~Authority has maintained the~~ physical condition of ~~the Navy Real Property has been~~
27 ~~maintained by the Authority~~ Treasure Island, including certain infrastructure as set forth in the
28 Caretaker Agreement. The physical condition of the ~~Navy Real Property~~ Treasure Island is
29 subject to reasonable wear and may have been altered by the Authority under the terms of the
30 Caretaker Agreement and the Master Leases, and/or the Navy where remedial activities have
31 been required.

32
33 9. ~~The Authority shall cause the Disposition and Development Agreement ("DDA")~~
34 ~~to incorporate all applicable terms of this Agreement substantially in the same form as they~~
35 ~~appear herein.~~

36 37 AGREEMENTS

38
39 NOW, THEREFORE, in consideration of the foregoing and the respective
40 representations, agreements, covenants and conditions herein contained, and other good and
41 valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Navy
42 and the Authority agree as follows:
43

1
2
3
4
5
6
7
8
9

**ARTICLE 1
DEFINITIONS**

10
11
12
13
14
15
16

1.1 The definitions are attached hereto as Exhibit A and are hereby incorporated by reference as if fully set forth herein.

17
18
19
20
21
22
23

**ARTICLE 2
ECONOMIC DEVELOPMENT CONVEYANCE**

24
25
26
27
28
29
30
31

2.1 Pursuant to § 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. § 2687 note), as amended, and 32 C.F.R. Part 174, the Navy agrees to transfer and convey all of the Navy's right, title, and interest in the Navy Property to the Authority under a fair market value economic development conveyance, and the Authority agrees to acquire such Navy Property in consideration of the covenants, conditions and restrictions contained herein and other good and valuable consideration, subject to the terms, conditions and general provisions set forth in this Agreement.

32
33
34
35
36
37

**ARTICLE 3
CONVEYANCE SCHEDULE AND TRANSFERS**

38
39
40
41

3.1 Property to be Conveyed. The Navy shall convey to the Authority, and the Authority shall accept from the Navy, subject to the terms, covenants and conditions hereinafter set forth, all of the Navy's right, title, and interest in the following property:

3.1.1 The real property consisting of ~~approximately [996] acres of uplands, tidelands and submerged lands~~ the EDC Application Property located within the bounds of the former Naval Station Treasure Island, as more particularly described and delineated in Exhibit B-2 and Exhibit B-3, attached hereto, less any real property appropriated permanently by the Federal Highway Administration, which shall include, but not be limited to, any right, title or interest the Navy may have in the following (collectively referred to herein as the "Navy Real Property"), except as otherwise provided for in this Agreement:

3.1.1.1 All buildings, facilities, roadways and other infrastructure including the storm drainage systems and the utility system infrastructure, and any other improvements thereon (including all replacements and additions thereto between the date of this Agreement and the date of conveyance of all the Navy Real Property to the Authority).

3.1.1.2 The Easements, licenses, rights of way, or other similar instruments as described in Article 7.

3.1.1.3 The hereditaments and tenements in and/or to the Navy Real Property and reversions, remainders, issues, profits, privileges and other rights belonging or related thereto, including any reversionary interest to real property appropriated permanently or otherwise by the Federal Highway Administration.

3.1.1.4 All rights to minerals, gas, oil, water and similar rights.

3.1.2 The Utility Infrastructure consisting of all utilities and related support infrastructure located on and off the Navy Real Property that serve the Navy Real Property such as electrical, water, sewer, gas, storm drainage and telecommunications lines (including all replacements and additions thereto between the date of this Agreement and the date of conveyance of all the Navy Real Property to the Authority), as more particularly described on Exhibit H-2 attached hereto.

3.1.3 The Navy Personal Property consisting of the Navy's right, title, and interest in all personal property, ~~except for (i) items identified in Article 13 relating to the Navy Caretaker Office, and (ii) property under the cognizance of the Navy Historical Center that is identified on Exhibit E, attached hereto (collectively, the "Excluded Personal Property")~~, located on or used in connection with the ownership, use, or operation of the specific portion of the Navy Real Property to be transferred to the Authority at each Closing, substantially in the form of and pursuant to the terms and conditions of the Bill of Sale as more particularly described in Exhibit H-1, attached hereto, except for items identified in Article 13 relating to the Navy Office. The Navy shall retain responsibility for all ~~Excluded Personal Property~~ excluded personal property under the cognizance of the Navy ~~Historical Center and/or the Navy Caretaker Office.~~ Unless the Navy and the Authority enter into a separate agreement regarding the Excluded Personal Property under the cognizance of the Navy Historical Center, Navy shall remove all such Excluded Personal Property from the Navy Real Property within 24 months after notice from the Authority requesting removal. The Authority shall have the right to relocate the Excluded Personal Property related to the Navy Historical Center prior to its removal so long as such artifacts are moved with appropriate care and with Navy approval. Office.

3.2 Sequence of Conveyances. The Navy shall convey the Navy Real Property by Quitclaim Deed to the Authority, and the Authority shall accept, in Multiple Conveyances in accordance with the Conveyance Schedule attached hereto as Exhibit R, such portion of the Navy Real Property for which the Closing Conditions set forth in Section 3.7 have been satisfied or waived, subject to the following requirements:

3.2.1 The Navy Real Property shall be conveyed and accepted within sixty (60) days after the Closing Conditions have been satisfied for the portion of the Navy Real Property subject to the applicable conveyance.

3.2.2 ~~Prior to the satisfaction or waiver of the Closing Conditions and the Initial Conveyance, the Authority may request the conveyance of an approximately five (5)-acre parcel ("Pre-Closing Parcel"), provided that if any portion of the Navy Real Property selected by the Authority as the Pre-Closing Parcel is in the Historic District, or the conveyance or planned use may affect property that is or may be eligible for listing on the National Register, then the entire Historic District and any other property that is or may be eligible for listing on the National Register shall be added to the selected Navy Real Property and included in the Pre-Closing Parcel.~~RESERVED

3.2.3 The Parties agree to meet at such times as requested by a Party, but no less than annually, to discuss the status of the Conveyance Schedule. Prior to each such meeting, the Authority shall deliver to the Navy a general phasing schedule that describes the anticipated schedule of development on the Navy Real Property for the next twenty-four (24) months. During such meeting, the Parties may mutually agree, in each Party's sole and absolute discretion, to amend the Conveyance Schedule, including the Navy Real Property to be conveyed as part of the Initial Closing or any subsequent Closing.

3.3 Conveyance Process.

3.3.1 FOST Parcel. On the Initial Closing, the Navy shall convey to the Authority, and the Authority shall accept, a parcel that is substantially similar to the portion of the Navy Real Property that is more particularly described and delineated as the FOST Parcel on Exhibit B-2, attached hereto, (the parcel to be conveyed, hereinafter referred to as the "FOST Parcel"), as further modified as necessary to remove any real property that may be deemed radiologically impacted and therefore require further investigation as set forth in the Final Historical Radiological Assessment – Supplemental Technical Memorandum anticipated to be completed by the Navy in April 2014, in accordance with the process provided herein, so long as the Authority has approved any differences between the boundaries of the FOST Parcel and the parcel or parcels delineated in Exhibit B-2 and the Closing Conditions for the transfer of the FOST Parcel have been satisfied.

3.3.2 Remainder Parcel. Upon satisfaction of the Closing Conditions for the transfer of the Remainder Parcel or applicable portions thereof, the Navy shall convey to the Authority, and the Authority shall accept, the portions of the Navy Real Property that are more particularly described and delineated as the Remainder Parcel on Exhibit B-3, attached hereto, as further modified as necessary to reflect the conclusions of the Final Historical Radiological Assessment – Supplemental Technical Memorandum, or portions of such Remainder Parcel, in accordance with the process otherwise provided herein—so long as the Authority has approved any differences between the boundaries of the Navy Real Property to be conveyed as part of a subsequent Closing and the parcel or parcels listed in Exhibit R. The Remainder Parcel shall include any portion of the FOST Parcel not conveyed at the Initial Closing.

3.3.3 ~~Pre-Closing Parcel. The Navy shall convey the Pre-Closing Parcel to the Authority, via a Quitclaim Deed in accordance with the Closing Conditions described in Section 3.7.2, within sixty (60) days following both (i) an agreement on the Pre-Closing Parcel Consideration established pursuant to Section 4.3.5, and (ii) a request by the Authority.~~ RESERVED

3.4 FOST Conveyances.

3.4.1 The Navy shall convey the Navy Real Property to the Authority by Quitclaim Deed(s) with all required CERCLA warranties and covenants after a FOST is executed with respect to the applicable portion of the Navy Real Property. Unless otherwise mutually agreed by the Parties, the Navy shall provide to the Authority for review and comment copies of all draft FOSTs, any amendments to any existing FOSTs, and the contents of any proposed land use covenants as they become available, provided, however, that the Navy shall not execute any final FOST or execute or record any land use covenants related to the Navy Real Property for at least forty-five (45) days after the applicable draft FOST or land use covenant is provided to the Authority. The Navy shall promptly provide updates or revisions of such draft FOSTs or land use covenants to the Authority as soon as any updates are available to the Navy. Unless otherwise mutually agreed by the Parties, the revised draft final FOST or land use covenant, as the case may be, must be provided to the Authority at least fifteen (15) days prior to the Navy's execution or recordation of the applicable final FOST or land use covenant.

3.4.2 The FOST(s) shall summarize how applicable requirements and notifications related to hazardous substances, petroleum products and other regulated materials have been satisfied. The FOST(s) may prescribe land use restrictions or covenants.

3.5 Title to Property.

3.5.1 Conveyance by Quitclaim Deed. At the Initial Closing, the Navy shall convey to the Authority all of its right, title and interest in and to the FOST Parcel by duly executed and acknowledged Quitclaim Deed substantially in the form attached hereto as Exhibit D-1. At each subsequent Closing, the Navy shall convey to the Authority all of its right, title and interest in and to the applicable portion of the Remainder Parcel by duly executed and acknowledged Quitclaim Deed substantially in the form ~~attached hereto as of~~ Exhibit D-2.

3.5.2 Condition of Title.

3.5.2.1 Attached hereto as Exhibit T is a preliminary title report that identifies the liens, exceptions to title and encumbrances recorded against the Navy Real Property as of the Effective Date of this Agreement. Any title insurance that may be desired by the Authority shall be procured at its sole cost and expense. The Navy shall cooperate with the Authority or its authorized agent and shall permit examination and inspection of any documents relating to the title of the Navy Real Property as it may have available. While, except as set forth in Section 3.5.2.2, the Navy is not obligated to clear any of the title exceptions listed on Exhibit U, the Navy agrees to assist the Authority, as appropriate, to have the title exceptions listed on Exhibit U attached hereto, and any subsequently discovered title exceptions that appear to be in error or are of concern to the Authority, removed, released or insured over.

3.5.2.2 From the Effective Date of this Agreement through the Initial Closing and any subsequent Closings, the Navy shall not permit, agree to sell, encumber or grant any interest in the Navy Real Property or any part thereof in any form or manner whatsoever, or otherwise perform or permit any act that will diminish or otherwise affect the Authority's interest under this Agreement or to the Navy Real Property, or which will prevent the Navy's full performance of its obligations hereunder, without the written consent of the Authority, except environmental restrictions or land use covenants consistent with Section 3.4.2.3, 4 as may be designated in ~~the~~any CERCLA Record of Decision, an approved Corrective Action Plan or ~~the~~a FOST.

3.6 Non-Assignable and Unperfected Easements, Contracts and Permits. Attached hereto as Exhibit I-5 is a list of the easements, leases, licenses ~~and~~, encroachment permits, contracts, permits and other agreements that are necessary for the operation, maintenance or improvement of the Navy Real Property and are either not assignable (the "Non-Assignable Easements, Contracts and Permits") or not validly held by the Navy (the "Unperfected Easements, Contracts and Permits"). The Navy shall cooperate with the Authority or its authorized agent and shall permit examination and inspection of any documents relating to the Non-Assignable Easements, Contracts and Permits and Unperfected Easements, Contracts and Permits as it may have available. Navy agrees to assist the Authority, as appropriate, to obtain the consents or replacement agreements necessary to transfer the Navy's rights under the Non-Assignable Easements, Contracts and Permits and to assist the Authority as appropriate to obtain the easements, leases, licenses or encroachment permits necessary for perfecting and assigning the Unperfected Easements, Contracts and Permits.

3.7 Closing Conditions. The Authority shall be obligated to accept title to any portion of the Navy Real Property tendered to the Authority within sixty (60) days after such portion of the Navy Real Property is tendered if, at the time of the tender, all of the following conditions are satisfied, or waived by the Authority in its sole discretion (together the "Closing Conditions"):

3.7.1 With respect to the Initial Closing for the FOST Parcel:

3.7.1.1 One or more FOST(s) have been executed covering the entirety of the FOST Parcel ~~depicted on Exhibit B-2, attached hereto, and such FOST(s) have been concurred in by DTSC in writing,~~ and the substance of any environmental restrictions or land use covenants whether contained in such FOST(s) or executed or recorded separately affecting all or any portion of the FOST Parcel does not prohibit the timely implementation of the Reuse Plan land uses. With respect to the FOST dated March 22, 2006, the DTSC letter dated May 22, 2006 satisfies the requirement for concurrence by DTSC, unless such FOST is further amended. With respect to the FOST dated January 3, 2012, the DTSC letter dated February 24, 2012 satisfies the requirement for concurrence by DTSC, unless such FOST is further amended.

3.7.1.2 Building 233 located on the Building 233 Development Parcel described on Exhibit B-6 has been demolished and (i) the CDPH and DTSC have approved a Final Status Survey Work Plan for Building 233 sufficient to enable CDPH to issue a Free Release Letter, ~~and~~ (ii) the CDPH and DTSC have approved the completed Final Status Survey Report ("FSSR") submitted by the Navy, ~~and~~ (iii) written assurance has been received from the appropriate Regulatory Authority or Authorities that no land use restrictions or covenants will be imposed on the Building 233 Development Parcel that would prohibit timely development consistent with the ~~Illustrative~~ DDA Land Use Plan.

3.7.1.3 A Record of Decision has been issued for Site 21 described on Exhibit B-13 and any land use restriction or covenants would allow for residential use on all habitable floors of a building to be constructed on Site 21.

3.7.1.4 An Explanation of Significant Differences has been issued by the Navy and approved by DTSC for Site 33. The remedial action for Site 33 and any resulting land use restrictions or covenants would allow residential use on all habitable floors of a building to be constructed on Site 33, and a Remedial Action Completion Report ("RACR") has been approved by DTSC for Site 33. If Site 33 is identified by the Navy and the State of California as impacted by radiological contamination prior to the Initial Closing, and as a result the Navy must undertake additional actions related to radiological contamination, such additional action shall be completed and the Navy shall have obtained written assurance from the State of California that the environmental condition of such sites complies with all applicable

laws and would not preclude the timely development of Site 33 in accordance with the DDA Land Use Plan.

3.7.1.5 The Navy and the Authority are not in material default of any of their material obligations hereunder related to the transfer of the FOST Parcel pursuant to this Agreement, unless waived by the Party not in material default.

3.7.1.6 The form and content of the Quitclaim Deed transferring the FOST Parcel is consistent with Section 3.5 and the applicable FOST, and the Navy and the Authority have agreed on the forms of the Assignment of Easements, Contracts, Licenses and Permits described in Section 7.1, the Access Easements and Utility Easements described in Section 7.3, and the Utilities Agreement described in Article 9.

3.7.1.7 The Navy has delivered into escrow the Navy Closing Documents described in Section 8.2 below.

3.7.1.8 All third party consents for the assignment or the replacement of any Non-Assignable Easements, Contracts and Permits related to the provision of electricity to Treasure Island and all easements, leases, licenses and/or encroachment permits necessary to perfect and assign the Unperfected Easements, Contracts and Permits related to the provision of electricity to Treasure Island have been obtained. The Non-Assignable and Unperfected Easements, Contracts and Permits related to the provision of electricity to Treasure Island are shown in Exhibit I-7.

3.7.1.9 At the Initial Closing: (i) the physical condition of the FOST Parcel shall be substantially the same as on the Effective Date of this Agreement, excepting reasonable wear and tear, activities under the Caretaker Agreement, master leases, and Navy's remedial activities ~~excepted~~, (ii) there shall be no litigation or administrative agency or other governmental proceeding pending, that materially and adversely affects the proposed redevelopment of the FOST Parcel, (iii) the environmental condition (including without limitation the presence, nature, extent and concentration of Hazardous Substances thereon) of any portions of the FOST Parcel covered by a FOST issued by the Navy ~~has~~ shall not ~~be~~ materially ~~worsened~~ after worse than the known environmental condition on the Effective Date of this Agreement, (iv) ~~no Regulatory Authority has asserted the need for~~ if any portion of the FOST Parcel was identified by the Navy and the State of California as impacted by radiological contamination, the Navy shall have obtained written assurance from the State of California that the environmental condition of such sites complies with all applicable laws and will not be subject to regulation after transfer under the

1 California Radiation Control Law (i.e., such site shall have a license exemption or
2 release for unrestricted use with respect to radiological issues) or such portion shall
3 be removed from the FOST Parcel and included in the Remainder Parcel. (v) no
4 Regulatory Authority shall have required additional screening, investigation,
5 remediation or restrictions related to radiological contamination (other than employee
6 health and safety plan screening to be conducted by a contractor prior to or during
7 construction) beyond those set forth in the FOST issued for any portions of the FOST
8 Parcel; and ~~(vi)~~ to the extent that a Record of Decision or FOST exists for a
9 particular portion of the FOST Parcel on the Effective Date of this Agreement, such
10 Record of Decision or FOST ~~has~~ shall not have been modified or changed (or required
11 to be modified or changed) unless mutually agreed upon (including changing through
12 an Explanation of Significant Differences, except for ~~Site 31~~ the final Explanation of
13 Significant Differences for IR Site 31 dated May 2011), and no additional conditions
14 or restrictions not identified in the existing Record of Decision or FOST shall have
15 been added after the Effective Date of this Agreement and prior to the Initial Closing.

16
17 3.7.1.10 The FOST Parcel is not subject to any liens,
18 exceptions and encumbrances other than the following: (i) the lien of real property
19 taxes not yet due and payable, (ii) the exceptions to title described in the preliminary
20 title report attached hereto as Exhibit T, (iii) exceptions to title approved by the
21 Authority in accordance with Section 3.5.2 of this Agreement, (iv) environmental
22 restrictions or land use covenants consistent with Section 3.4 that the Navy may
23 record against the Navy Real Property in accordance with Section 3.5.2, and (v) non-
24 material liens, exceptions or encumbrances that do not impair the value of the Navy
25 Real Property or the ability to develop the Project.

26
27 3.7.1.11 All Regulatory Authority approvals have been
28 obtained for the FOST Parcel relating to the investigation and environmental response
29 for underground and above-ground petroleum storage tanks, and any releases of
30 petroleum, petroleum derivatives, petroleum fractions, or any chemicals, compounds
31 or products that result from their degradation in accordance with Article 18.

32
33 3.7.2 With respect to any subsequent Closing for a portion of the Remainder
34 Parcel:

35
36 3.7.2.1 A FOST has been executed for such portion of the
37 Remainder Parcel, and such FOST(s) have been concurred in by DTSC in writing,
38 and the substance of any environmental restrictions or land use covenants whether
39 contained in such FOST(s) or recorded separately against the applicable portion of the
40 Remainder Parcel does not prohibit the timely implementation of the Reuse Plan and
41 uses.

3.7.2.2 The Navy and the Authority are not in material default of any of their material obligations hereunder related to the transfer of such portion of the Remainder Parcel pursuant to this Agreement, unless waived by the Party not in material default.

3.7.2.3 The form and content of the Quitclaim Deed transferring such portion of the Remainder Parcel is consistent with Section 3.5 and the applicable FOST, and the Navy and the Authority have agreed on the form of Access Easements and Utility Easements described in Section 7.3 with respect to such portion of the Remainder Parcel.

3.7.2.4 The Navy has delivered into escrow the Navy Closing Documents described in Section 8.2 below.

3.7.2.5 ~~The~~At the applicable Closing: (i) the physical condition of such portion of the Remainder Parcel shall be substantially the same on the applicable Closing date as on the Effective Date of this Agreement, reasonable wear and tear, activities under the Caretaker Agreement, master leases and Navy's remedial activities excepted, ~~and, as of the applicable Closing date,~~(ii) there shall be no litigation or administrative agency or other governmental proceeding pending, that materially and adversely affects the proposed redevelopment of such portion of the Remainder Parcel, and (iii) no Regulatory Authority has asserted shall have required the need for additional screening, investigation or restrictions beyond those set forth in the FOST issued for such portion of the Remainder Parcel. (iv) if any portion of the Remainder Parcel was identified by the Navy and the State of California as impacted by radiological contamination, the Navy shall have obtained written assurance from the State of California that the environmental condition of such sites complies with all applicable laws and will not be subject to regulation after transfer under the California Radiation Control Law (i.e., such site shall have a license exemption or release for unrestricted use with respect to radiological issues), and (v) no Regulatory Authority shall have required additional screening, investigation, remediation or restrictions related to radiological contamination (other than employee health and safety plan screening to be conducted by a contractor prior to or during construction) beyond those set forth in the FOST issued for such portion of the Remainder Parcel.

3.7.2.6 The Navy has not permitted, agreed to sell, sold, encumbered, or granted any interest in such portion of the Remainder Parcel in violation of Section 3.5.2.2.

3.7.2.7 All Regulatory Authority approvals have been obtained for the Remainder Parcel relating to the investigation and environmental response for underground and above-ground petroleum storage tanks, and any releases of petroleum, petroleum derivatives, petroleum fractions, or any chemicals, compounds or products that result from their degradation in accordance with Article 18.

3.7.2.8 For a conveyance that contains all or portions of the Site 12 Development Parcel, Parcel 21, Parcel 30, Parcel 30N, Parcel 30S, Parcel 31, the Building 3 Parcel, the Building 233 Parcel, the UC1 and UC2 utility corridors, or Parcel 24A, each as described on Exhibit B-7 attached hereto, the applicable performance benchmarks set forth in Sections 4.2.2 and 4.2.3 below have been satisfied or waived by the Authority as to each Parcel before conveyance of that Parcel.

3.8 Failure to Satisfy Closing Conditions.

3.8.1 If any Closing Conditions described in Section 3.7.1 relating to the Initial Closing are not satisfied prior to or on the date that the Navy is required to convey the FOST Parcel to the Authority in accordance with the Conveyance Schedule, as may be amended by the Parties, then the Authority shall have the right in its sole and absolute discretion to (i) waive in writing the Closing Condition in question as to all or any portion of the FOST Parcel and proceed with Closing, or (ii) extend the Closing for the FOST Parcel for a reasonable period of time up to four (4) years as specified by the Authority to allow all of the Closing Conditions applicable to the FOST Parcel to be satisfied and, if applicable, to complete early transfer or Lease in Furtherance of Conveyance ("LIFOC") negotiations with the Navy in accordance with Section 3.11 or Section 3.12 below.

3.8.2 If any Closing Conditions described in Section 3.7.2 relating to a subsequent Closing for any portion of the Remainder Parcel are not satisfied prior to or on the date that the Navy is required to convey such portion of the Remainder Parcel to the Authority in accordance with the Conveyance Schedule, as may be amended by the Parties, then the Authority shall have the right in its sole and absolute discretion to (i) waive in writing the Closing Condition in question and proceed with Closing, or (ii) extend the Closing for such portion of the Remainder Parcel for a reasonable period of time up to four (4) years (except as otherwise provided for ~~Site 12~~ in Section ~~4.2.24.2.4~~ and/or Section 4.2.5) as specified by the Authority to allow all of the Closing Conditions applicable to such portion of the Remainder Parcel to be

satisfied and, if applicable, to complete early transfer or LIFOC negotiations with the Navy in accordance with Section 3.11 or Section 3.12 below.

3.8.3 If a dispute arises between the Parties regarding whether a Closing Condition has been satisfied, either Party may invoke the dispute resolution procedure described in Article 27. The failure by the Navy to satisfy a Closing Condition, by itself, shall not be deemed a Navy default or breach under this Agreement, and the sole remedy for failure to satisfy a Closing Condition is set out in Section 3.8.1, Section 3.8.2, and Section 3.8.4.

3.8.4 If any Closing Conditions described in Section 3.7.1 and/or 3.7.2 are not satisfied within four (4) years after the date the Navy was required to convey the applicable Parcel to the Authority in accordance with the Conveyance Schedule, as may be amended by the Parties (except as otherwise provided for ~~Site 12~~ in Section 4.2.24, 2.4 and/or Section 4.2.5), and such failure to satisfy a Closing Condition is not caused by a Navy breach of an obligation under this Agreement, then the Authority shall have sixty (60) days from receipt of a written notice from the Navy to elect to waive in writing the Closing Condition in question and proceed with Closing. If after sixty (60) days the Authority has not chosen to waive in writing the Closing Condition then, this Agreement shall terminate as to the affected Parcel(s). If this Agreement terminates as to the affected Parcel(s), the Navy shall have the right to transfer or convey such Parcel(s) according to applicable law and in accordance with Section 3.8.6 and 3.8.7, provided, however if this Agreement terminates as to all of the Navy Real Property prior to the Initial Closing, then the Navy shall have the right to transfer or convey such Parcel(s) according to applicable law and without complying with Section 3.8.6 or Section 3.8.7.

3.8.5 If the Authority does not accept a Parcel for which the Closing Conditions have been satisfied or waived within sixty (60) days after the Navy's tender of the Parcel, subject to Excusable Delay, then the Authority shall be in default and the Navy shall have the right, in its sole discretion, and as its sole and exclusive remedy, to transfer or convey the Parcel in accordance with applicable law.

3.8.6 The Navy agrees that concurrent with the transfer or conveyance of the FOST Parcel, or any portion thereof, to a third party in accordance with Section 3.8.4 the Navy shall notify the third party of the restrictions under the ~~ReuseDDA Land Use~~ Plan as such ~~ReuseDDA Land Use~~ Plan may be modified by the Authority to address the failure to satisfy the Closing Condition that gave rise to the Navy transfer or conveyance of such FOST Parcel, or portion thereof, if any, and concurrent with any transfer or conveyance of the Remainder Parcel, or a portion thereof, to a third party in accordance with Section 3.8.4 the Navy shall notify the third party of the restrictions under the ~~IllustrativeDDA~~ Land Use Plan as such version of the ~~IllustrativeDDA~~ Land Use Plan may be modified by the Authority to address the failure to

1 satisfy the Closing Condition that gave rise to the Navy transfer or conveyance of such
2 Remainder Parcel, or portion thereof, if any.

3
4 3.8.7 The Navy shall not transfer or convey all or any portion of the Navy
5 Real Property in accordance with Section 3.8.4 to a state or federal agency, or any other entity
6 that would be exempt from complying with land use restrictions, including restrictions arising
7 under the ~~Reuse Plan, the Illustrative DDA~~ Land Use Plan, the City's Planning Code, the City's
8 General Plan or the City's Zoning Map (an "Exempt Transferee"), without first granting the
9 Authority the option (the "Authority Option") to lease the portion of the Navy Real Property
10 that the Navy proposes to transfer or convey to the Exempt Transferee (the "Option Property").
11 At least sixty (60) days prior to initiating the process for transfer or conveyance of all or any
12 portion of the Option Property to an Exempt Transferee, the Navy shall notify the Authority in
13 writing (the "Option Notice") of (i) the description of the Option Property subject to the Option
14 Notice, and (ii) the proposed method of transfer or conveyance, and (iii) if known, the identity of
15 the proposed Exempt Transferee and the Exempt Transferee's proposed use of the Option
16 Property. The Authority shall have forty-five (45) days after receipt of the Option Notice to
17 exercise the Authority Option by delivering a written exercise notice to the Navy. If the
18 Authority exercises the Authority Option, the Parties shall promptly execute a lease. The form
19 of lease will be a LIFO or master lease similar to the existing master leases and will include the
20 following provisions: the Authority will not pay rent and the term will expire on the earlier of
21 fifty (50) years after lease commencement or such time as the Navy satisfies the applicable
22 Closing Condition allowing for conveyance of the Option Property to the Authority.

23
24 3.9 Quitclaim Deeds. The Navy shall convey all of its right, title, and interest in and
25 to the Navy Real Property to the Authority, and the Authority agrees to accept conveyance of the
26 Navy Real Property "as is" and "where is" by good and sufficient Quitclaim Deeds in
27 accordance with this Agreement, by separate conveyance and Closing. Acceptance of the Navy
28 Real Property by the Authority shall be by execution of the Authority's acceptance statement on
29 the Quitclaim Deeds. The Navy shall prepare plats and legal descriptions of areas that are
30 subject to environmental restrictions and covenants at its own expense and provide such plats
31 and legal descriptions to the Authority for review. The Authority shall prepare draft plats and
32 legal descriptions of the metes and bounds of the outer boundary of the Naval Station Treasure
33 Island and the Parcels of Navy Real Property at its own expense and provide such plats and legal
34 descriptions to the Navy for review. The Parties shall work cooperatively to ensure that plats
35 and legal descriptions are correct and agreed to by each Party. The Authority shall be
36 responsible for recording Quitclaim Deeds at its own expense. The Parties shall cooperate in
37 executing and delivering corrective deeds necessary to convey omitted land intended to be
38 included in the Navy Real Property and to correct any erroneous description of the Navy Real
39 Property.

40
41 3.10 Sub-parcels. Sub-parcelization of any Parcel may be considered and a sub-parcel
42 may be conveyed as mutually agreed to by the Parties.

1
2 3.11 Early Transfer Negotiations. At any time, the Parties may enter into early transfer
3 negotiations for the conveyance of any Parcel or agreed upon sub-parcel with a covenant deferral
4 pursuant to Section 120(h)(3)(c) of CERCLA and the terms of a mutually acceptable Early
5 Transfer Cooperative Agreement that has been approved by the Navy, the Authority's Board of
6 Directors and, if required, the City's Board of Supervisors and Mayor, each in their sole and
7 absolute discretion.

8
9 3.12 Lease in Furtherance of Conveyance. At any time, the Parties may enter into
10 negotiations for a LIFO for any portion of the Navy Real Property on terms mutually
11 acceptable to the Parties, subject to approval by (1) the Authority's Board of Directors and, if
12 required, the City's Board of Supervisors and Mayor, and (2) the Secretary of the Navy or his/her
13 designee as appropriate, each in their sole and absolute discretion. The Navy and the Authority
14 will enter into a LIFO, easement or other instrument acceptable to the Authority that allows for
15 the construction of roads, utilities and other infrastructure on the properties ~~described in Exhibit~~
16 ~~D-7.~~

17
18 3.13 Marina Property. The Marina Property depicted in Exhibit F will be conveyed to
19 the Authority pursuant to this Agreement, but will not be conveyed by the Authority to the
20 Developer or be subject to the terms and conditions of the DDA. Accordingly, the revenues
21 received by the Authority from the Marina Property shall not be subject to Article 4
22 ("**Consideration**") and Article 5 ("**Controls**"), other than Section 5.13. Revenues received by
23 the Authority from the Marina Property shall be used by the Authority to fund the Authority's
24 costs of administering the closure and reuse of Treasure Island and implementing the ~~Reuse~~DDA
25 Land Use Plan, and shall directly reduce the Authority Costs Payment. An annual accounting of
26 Marina Property revenues shall be provided to the Navy in accordance with Section 4.3.6.2
27 hereof.

ARTICLE 4
CONSIDERATION

4.1 Consideration. In consideration for the conveyance of the Navy Real Property, the Authority shall pay to the Navy (i) an initial purchase price of Fifty Five Million Dollars (\$55,000,000) (the "**Initial Consideration**"), payable over a term of ten (10) years (as such term may be extended pursuant to Section ~~4.2.24.2.4~~ and/or Section 4.2.5 below) (the "**Initial Consideration Term**") and (ii) Additional Consideration based on Net Cash Flow generated from the ~~Navy Property Project~~. Payments of the Initial Consideration and the Additional Consideration may be made directly by the Developer on behalf of the Authority to the Navy. All payments due hereunder shall be payable to the U.S. Treasury and sent to BRAC Program Management Office West, 1455 Frazee Road, Suite 900, San Diego, CA 92108 or to any new or substitute address specified, in writing in accordance with the notice procedure set forth herein.

4.2 Initial Consideration.

4.2.1 Initial Closing. Commencing on the Initial Closing, the Authority shall pay the Initial Consideration in U.S. Dollars in ten equal annual installments of Five Million Five Hundred Thousand Dollars (\$5,500,000) (each, an "**Installment Payment**") plus interest if and when due. The first payment of Five Million Five Hundred Thousand Dollars (\$5,500,000) shall be paid at the Initial Closing. Each subsequent Installment Payment shall be made on the Anniversary Date of the Initial Closing and shall consist of (i) the amount of the Installment Payment then due, plus (ii) the Interest Rate multiplied by the amount of the Initial Consideration that had not yet been paid as of the beginning of the prior year (i.e., the Initial Consideration minus the total of Installment Payments that were actually paid through the prior year). The Parties also intend that so long as all of the Navy Real Property has been conveyed, all of the Initial Consideration and applicable interest will have become due and payable by the expiration of the Initial Consideration Term, subject to the credit against Initial Consideration pursuant to Section ~~4.2.54.2.10~~ hereof. Notwithstanding the foregoing, if at any time Navy conveys any Parcel to a third party to the extent permitted under Section 3.8.4 hereof, the total amount of the Initial Consideration shall be reduced by the amount of consideration received by the Navy from the sale or transfer of such Parcel up to the amount of the Initial Consideration, and any interest payable thereon shall be on the reduced amount of Initial Consideration. Authority shall also be entitled to a credit against any future Installment Payment (and if insufficient Installment Payments remain to fully use the credit, against future payments of Additional Consideration) equal to the interest paid by Authority to Navy from the Initial Closing through the date of the third-party sale calculated on the amount of consideration received by the Navy from the sale or transfer of the applicable Parcel. If at the time of the third party sale, one or more Installment Payments remain due, the Installment Payments shall continue until the Navy has been paid an amount equal to the Initial Consideration less the amount of the third party sale. If the conveyance to a third party occurs after Authority has already paid the Navy Installment Payments in an amount that equals more than the Initial Consideration less amounts received by the Navy from the third party sale, then no further Installment Payments shall be due, and

Authority shall be entitled to credit the amount of the Authority's overpayment against future payments of Additional Consideration that may become due under Section 4.3 hereof. Without limiting the foregoing, if this Agreement terminates as to any Parcel in accordance with Section 3.8.4 hereof, then such termination shall also be treated as a Redesign Trigger Event under Section ~~4.2.3~~ 4.2.8 hereof.

4.2.2 Performance Benchmarks/Tolling For Site 12. The provisions of this Section 4.2.2 apply only to the developable area of Site 12 (the "Site 12 Development Parcel") as that site is shown on Exhibit B-5 attached hereto. The Navy shall comply with the following performance benchmarks for the Site 12 Development Parcel (each, a "Site 12 Performance Benchmark") on or before the dates for those benchmarks set forth in the Conveyance Schedule:

~~4.2.2.1 Site 12 Performance Benchmarks. The Navy shall comply with the following Performance Benchmarks for the Site 12 Development Parcel on or before the dates for those benchmarks set forth in the Conveyance Schedule (each, a "Site 12 Performance Benchmark"):~~

~~4.2.2.1.1 4.2.2.1~~ The issuance of a Record of Decision for the Site 12 Development Parcel (the "Site 12 ROD") that would not ~~prohibit~~ preclude the timely development of the Site 12 Development Parcel in accordance with the ~~Illustrative~~ DDA Land Use Plan for multi-family residential use at the densities contemplated by the Project ~~(as shown on Exhibit Z).~~

~~4.2.2.1.2 4.2.2.2~~ The Navy's satisfaction of all Closing Conditions for transfer of the Site 12 Development Parcel to the Authority in accordance with the Conveyance Schedule and delivery of all Navy Closing Documents in accordance with Section 8.2.

4.2.3 Other Performance Benchmarks. The provisions of this Section 4.2.3 apply only to Parcel 21, Parcel 30, Parcel 30N, Parcel 30S, Parcel 31, Parcel 24A, the Building 3 Parcel, the Building 233 Parcel, and the UC1 and UC2 utility corridors, as those parcels are shown on Exhibit B-7 attached hereto. The Navy shall comply with the following Performance Benchmark for each parcel, individually and separately. If (i) the Navy and the State of California determine that Parcel 21, Parcel 30, Parcel 30N, Parcel 30S, Parcel 31, Parcel 24A, the Building 3 Parcel, or the UC1 or UC2 utility corridors, as applicable, is impacted by radiological contamination prior to transfer of such parcel to the Authority, and (ii) such determination results in the Navy having to take additional actions to address radiological contamination, the Navy shall satisfy all Closing Conditions for the transfer of Parcel 21, Parcel 30, Parcel 30N, Parcel 30S, Parcel 31, Parcel 24A, the Building 3 Parcel, the Building 233 Parcel, or the UC1 or UC2 utility corridors, as applicable, to the Authority in accordance with the Conveyance Schedule and deliver all Navy Closing Documents in accordance with Section 8.2 (the "Parcel 21 Performance Benchmark", the

1 "Parcel 30 Performance Benchmark", the "Parcel 30N Performance Benchmark", the
2 "Parcel 30S Performance Benchmark", the "Parcel 31 Performance Benchmark", the
3 "Parcel 24A Performance Benchmark", the "Building 3 Performance Benchmark", the
4 "Building 233 Performance Benchmark", the "UC1 Utility Corridor Performance
5 Benchmark", and the "UC2 Utility Corridor Performance Benchmark", as applicable,

6
7 4.2.4 4.2.2.2 Tolling for Failure to Meet Site 12 Performance Benchmarks. If the
8 Navy fails to meet ~~the~~ Site 12 Performance ~~Benchmarks~~Benchmark within the time provided,
9 including by reason of an Excusable Delay, then the Authority's obligation to pay any future
10 Installment Payment on the Anniversary Date of the Initial Closing will be tolled for the same
11 number of days occurring between the applicable Site 12 Performance Benchmark date and the
12 date on which the applicable Site 12 Performance Benchmark is satisfied. If such tolling occurs,
13 the due date for all future Installment Payments shall become the Anniversary Date of the Initial
14 Closing adjusted for the period of tolling. For example, if the Site 12 ~~ROD~~ Performance
15 Benchmark in Section 4.2.2 relating to the Site 12 ROD must be satisfied by ~~August 1,~~
16 ~~2013, October 31, 2016,~~ the next subsequent Installment Payment was due on January 1,
17 ~~2014, 2017,~~ and the ~~Site 12 ROD~~such Performance Benchmark was satisfied on April 1,
18 ~~2014, 2017~~ (a delay of ~~243-152~~ days), then the next Installment Payment would be due on
19 ~~September 1, 2014, June 2, 2017~~ (i.e. ~~243, 152~~ days from the original Anniversary Date of January
20 ~~1, 2014, 2017~~), and all future Installment Payments would be due on ~~September 1, June 2~~ of
21 subsequent years in the Initial Consideration Term unless further tolled.

22
23 4.2.5 Tolling for Failure to Meet Other Performance Benchmarks. If the Navy
24 fails to meet a Parcel 21 Performance Benchmark, a Parcel 30 Performance Benchmark, a Parcel
25 30N Performance Benchmark, a Parcel 30S Performance Benchmark, a Parcel 31 Performance
26 Benchmark, a Parcel 24A Performance Benchmark, a UC1 Utility Corridor Performance
27 Benchmark, a UC1 Utility Corridor Performance Benchmark, a Building 3 Performance
28 Benchmark, and/or a Building 233 Performance Benchmark established in Section 4.2.3 within
29 the time provided, including by reason of an Excusable Delay, which Performance Benchmarks
30 shall apply individually and separately to each such parcel, then the Authority's obligation to pay
31 any future Installment Payment on the Anniversary Date of the Initial Closing will be tolled for
32 the same number of days occurring between the applicable Performance Benchmark date and the
33 date on which the applicable Performance Benchmark is satisfied. For example, if a Performance
34 Benchmark must be satisfied by November 30, 2015, the next subsequent Installment Payment
35 was due on January 1, 2016, and such Performance Benchmark was satisfied on April 1, 2016 (a
36 delay of 123 days), then the next Installment Payment would be due on May 3, 2016 (i.e. 123
37 days from the original Anniversary Date of January 1, 2016), and all future Installment Payments
38 would be due on May 3 of subsequent years in the Initial Consideration Term unless further
39 tolled.

40
41 4.2.6 Tolling for More than Two Years. If tolling under Section 4.2.4 or Section
42 4.2.5 continues for a period of more than two (2) years, the Parties shall meet and confer in good
43 faith to determine whether or not it is reasonably foreseeable that the Navy will be able to meet
44 the applicable Performance Benchmark within a reasonable period of time.

4.2.7 ~~4.2.2.3~~ Tolling for More than Two Years. If tolling under Section 4.2.2.2 continues for a period of more than two (2) years, the Parties shall meet and confer in good faith to determine whether or not it is reasonably foreseeable that the Navy will be able to meet the applicable Performance Benchmark within a reasonable period of time. Extension of Tolling Period. If the Parties determine that the reasons for the delay can be overcome through the good faith and diligent efforts of the Navy, and will likely result in the satisfaction of the applicable Performance Benchmark, then the Parties may by mutual agreement ~~adjust the Performance Benchmark date~~ extend the applicable two (2) year tolling period to account for the delay. If the Parties do not reach agreement within sixty (60) days after the first meet and confer (subject to extension by mutual agreement of the Parties), then the procedures of Section 4.2.34.2.8 and 4.2.44.2.9 shall apply.

4.2.8 ~~4.2.3~~ Redesign Trigger Events. If (i) the Navy fails to ~~(i)~~ meet the Site ~~4.2~~ applicable Performance ~~Benchmarks~~ Benchmark within the applicable two year period and the Parties do not mutually agree to extend such period, pursuant to Section 4.2.7, or (ii) ~~if~~ this Agreement terminates as to any Parcel in accordance with Section 3.8.4 hereof (for any reason other than failure to satisfy the Closing Conditions in Section 3.7.1.8 or Section 3.7.1.10 (other than by reason of Navy's breach of its covenants in Section 3.5.2.2), which Parcel or portion thereof is located within the development footprint (as that area is shown on the Illustrative DDA Land Use Plan) (each of the foregoing events, a "Redesign Trigger Event"), the Authority shall have the right to re-entitle, redesign and rebuild portions of the Project (the "Redesign Plan"). The scope of the Redesign Plan shall be to the extent reasonably necessary, as determined by the Authority, to recapture the lost value to the Project resulting from the Redesign Trigger Event. The primary goal of any Redesign Plan shall be to recover an equivalent amount of development value attributable to the applicable parcel based on the level of development permitted by the Project and Developer's financial projections, or if the parcel is an open space parcel, based upon the lost value to the Project resulting from the redesign of the affected open space. The Redesign Plan shall address the rebuilding of already constructed Horizontal Improvements to the extent necessary to accommodate the redesign, and shall identify the incremental level of additional Horizontal Improvements, if any, required as a result of the redesign.

4.2.9 ~~4.2.4~~ Work Program and Budget. No later than one hundred eighty (180) days after a Redesign Trigger Event (as such date may be extended in the reasonable discretion of the Navy), the Authority shall submit to the Navy a work program and budget (the "Work Program") and the "Redesign Budget") for the Redesign Plan. The Work Program shall set forth the anticipated work program and schedule necessary to prepare, entitle and implement the Redesign Plan. The Redesign Budget shall estimate the anticipated costs necessary to prepare, entitle and implement the Redesign Plan (the "Redesign Costs"). Redesign Costs shall include, without limitation, all Soft Costs related to the Redesign Plan, including without limitation, costs associated with any subsequent environmental review that is required pursuant to CEQA, and Hard Costs related to the rebuilding, replacing, relocating or incremental cost of additional

Horizontal Infrastructure as necessary to accommodate the Redesign Plan. The Navy shall have ninety (90) days to review the Work Program and Redesign Budget and shall be deemed to have approved the Work Program and Redesign Budget unless it delivers a written objection notice within such ninety (90) day period including reasonably detailed grounds for any material objections thereto. The sole grounds for the Navy's objection rights shall be that the proposed Redesign Costs ~~exceeds~~exceed the scope for such costs permitted under Section ~~4.2.34.2.8~~ 4.2.34.2.8 hereof. Failure of the Navy to deliver a written objection notice within such ninety (90) day period shall be deemed approval of the Redesign Costs.

4.2.10 4.2.5 Credit for Redesign Costs. Starting on the date that is thirty (30) days after submittal of the Work Program and Redesign Budget (or in the event of a Navy objection related to the Work Program and Redesign Budget under Section ~~4.2.44.2.9~~ 4.2.44.2.9 that results in approved Redesign Costs, upon the resolution of such dispute) (the "Credit Commencement Date"), the period of tolling under Section ~~4.2.2.24.2.4~~ 4.2.2.24.2.4 or Section 4.2.5, as applicable, shall be discontinued, but Authority shall have the right to a credit against all subsequent payments of Initial Consideration or Additional Consideration up to the total amount of either (i) the Redesign Costs set forth in the Redesign Budget, or (ii) the Redesign Costs actually incurred by Developer and Authority if such amount exceeds the Redesign Costs set forth in the Redesign Budget. The Navy is not responsible for Redesign Costs that exceed the Initial and Additional Consideration. Any such credit shall also be subject to the accounting and reconciliation procedures of Section ~~4.3.74.3.6~~ 4.3.74.3.6 and 4.3.7.2.

4.2.11 4.2.6 ~~Security for Pre-Closing Parcel Consideration and Initial Consideration.~~

~~4.2.6.1 Pre-Closing Parcel Consideration. The Authority shall sign and deliver to the Navy through escrow at the Closing of the Pre-Closing Parcel a Promissory Note in the principal amount of the Pre-Closing Parcel Consideration as established in accordance with Section 4.3.5.1. The Promissory Note for the Pre-Closing Parcel Consideration shall provide that the Pre-Closing Parcel Consideration may be paid in five annual installment payments, each equal to one-fifth (1/5) of the Pre-Closing Parcel Consideration. The first installment payment shall be equal to one-fifth (1/5) of the Pre-Closing Parcel Consideration, and any subsequent installment payments shall consist of (i) the Interest Rate multiplied by the unpaid balance of the Pre-Closing Parcel Consideration (the balance before the current installment payment is made), plus (ii) the amount of the installment payment then due. The Promissory Note for the Pre-Closing Parcel Consideration shall be secured solely by a non-recourse deed of trust encumbering the Historic District. The form of the Promissory Note for the Pre-Closing Parcel is attached to this Agreement as Exhibit III-1, and the form of the non-recourse deed of trust encumbering the Historic District is attached to this Agreement as Exhibit III-2. The Parties shall take the applicable action with respect to the Promissory Note for the Pre-Closing Parcel Consideration, as follows:~~

1 ~~4.2.6.1.1 If the Initial Closing proceeds as described in~~
2 ~~Section 4.3.5.2, then the Promissory Note for the Pre-Closing Parcel Consideration shall be~~
3 ~~returned to the Authority at the Initial Closing;~~

4
5 ~~4.2.6.1.2 If the Initial Closing does not occur because the~~
6 ~~Agreement is terminated as described in Section 4.3.5.3, then, at the Authority's election, which~~
7 ~~shall be provided to the Navy in writing within thirty (30) days of the Agreement's termination,~~
8 ~~either (i) the Promissory Note for the Pre-Closing Parcel Consideration shall be honored~~
9 ~~according to its terms, or (ii) the Promissory Note for the Pre-Closing Parcel Consideration shall~~
10 ~~be returned to the Authority, and the Historic District shall revert to the Navy pursuant to the~~
11 ~~non-recourse deed of trust; or~~

12
13 ~~4.2.6.1.3 If (i) the Initial Closing is delayed in accordance~~
14 ~~with Section 3.8.4, (ii) the Authority notifies the Navy of its election that the Promissory Note~~
15 ~~for the Pre-Closing Parcel Consideration shall be honored according to its terms, and (iii) the~~
16 ~~Parties agree on a date for payments to commence, then the Promissory Note for the Pre-Closing~~
17 ~~Parcel Consideration shall be honored according to its terms beginning on such date agreed to by~~
18 ~~the Parties in accordance with Section 4.3.5.4.~~

19
20 4.2.11.1 RESERVED

21
22 4.2.6.2 4.2.11.2 Initial Consideration. The Authority shall sign and
23 deliver to the Navy through escrow at the Initial Closing a Promissory Note in the principal
24 amount of the Initial Consideration. The Promissory Note for the Initial Consideration shall bear
25 interest and be payable in installments as more particularly described in Section 4.2.1 above.
26 The Promissory Note for the Initial Consideration shall be secured by (i) an Assignment of Rents
27 encumbering the rents, issues and profits payable under all interim subleases for the Navy Real
28 Property including, but not limited to, that certain Sublease, Development, Marketing and
29 Property Management Agreement between the Authority and the John Stewart Company dated
30 March 17, 1999, as amended from time to time, and any successor interim subleases or leases
31 relating to the Navy Real Property whether executed prior to or after a conveyance hereunder,
32 and (ii) to the extent the rents, issues and profits assigned under the Assignment of Rents are not
33 sufficient to cover the unpaid principal and interest due under the Promissory Note for the Initial
34 Consideration, a Subordinate Pledge of Net Available Tax Increment Revenues generated from
35 the Navy Real Property prior to or after a conveyance hereunder. The Subordinate Pledge shall
36 be subordinate to the pledge of Net Available Tax Increment Revenues to the holders of any
37 bonded indebtedness and to the Developer under the DDA; provided, however, that the DDA
38 shall provide that all such Net Available Tax Increment Revenues to be paid directly to
39 Developer in reimbursement for the expenditure of Qualified Project Costs (as defined in the
40 Financing Plan attached as Exhibit EE to the DDA) shall be withheld from Developer by the City
41 and held for the account of the Navy upon the occurrence of and for the duration of any default

of a payment of Initial Consideration hereunder. Provided, further, that the Parties recognize that the Authority's Assignment of Rents hereunder is subordinate to the senior security interest the Authority provided to the San Francisco County Transportation Authority under the Memorandum of Agreement for Project Management and Oversight, Engineering and Environmental Services for the Yerba Buena Ramps dated July 1, 2008, as amended. The Authority agrees that the senior security interest provided to the San Francisco County Transportation Authority and secured by Assignment of Rents, as described above, shall not exceed Eighteen Million Eight Hundred Thirty Thousand Dollars (\$18,830,000), plus accrued interest. Any additional obligation of funds by the Authority to the San Francisco County Transportation Authority in excess of Eighteen Million Eight Hundred Thirty Thousand Dollars (\$18,830,000), plus accrued interest, shall be covered by other forms of security that do not result in a subordinate position for the Navy. "Net Available Tax Increment Revenues" means tax increment revenues allocated by the City to any Infrastructure Financing District established for all or any portion of the Navy Real Property and received by the City. The forms of the Promissory Note for the Initial Consideration, Assignment of Rents, and the Subordinate Pledge are attached to this Agreement as Exhibit HH-3, Exhibit II, and Exhibit JJ. All rents, issues and profits payable to Developer under any agreement subject to the Assignment of Rents shall be immediately paid and payable directly to the Authority on account of the Navy, or directly to the Navy, as provided by the terms of the Assignment of Rents, commencing on, and for the duration of, any default in the payment of Initial Consideration hereunder.

4.3 Additional Consideration.

4.3.1 Amount of Additional Consideration. The Authority shall pay the Navy additional consideration consisting of (1) 100% of Net Cash Flow generated by the Project in excess of a Developer 18% IRR until the Navy has received Fifty Million Dollars (\$50,000,000) (the "First Tier Participation"), as more fully described below; and (2) 35% of Net Cash Flow generated by the Project in excess of a Developer 22.5% IRR (the "Second Tier Participation"), as more fully described below. The First Tier Participation and Second Tier Participation are collectively referred to herein as the "Additional Consideration." Payments of Additional Consideration may be made directly by the Developer on behalf of the Authority to the Navy.

4.3.2 Payment of First Tier Participation. Within forty-five (45) days after the expiration of the eighth full calendar Quarter occurring after the Initial Closing and forty-five (45) days after the expiration of each subsequent Quarter during the Term hereof, the Authority shall require the Developer to submit a reasonably detailed statement to the Authority and the Navy (the "IRR Statement") accompanied by an Accounting consistent with Section 4.3.6 hereof showing (i) the cumulative IRR achieved for each of the eight (8) immediately prior Quarters for any IRR Statement provided during the Initial Consideration Term, and (ii) the cumulative IRR achieved for each of the six (6) prior Quarters for any IRR Statement provided after expiration of the Initial Consideration Term (the eight or six Quarter Period, as applicable, the "Reporting Period"). The IRR Statement shall also calculate the average IRR over the Reporting Period, calculated by adding the IRR of each Quarter in the Reporting Period and dividing the total by the

number of Quarters in the Reporting Period. If the IRR Statement shows that Developer has achieved an average IRR of more than 18.00% over the Reporting Period, then the Authority shall within forty-five (45) days after the expiration of the eighth full calendar Quarter occurring after the Initial Closing and forty-five (45) days after the expiration of each subsequent Quarter during the Term hereof, pay the Navy an amount that would reduce the cumulative IRR to 18.00% as of the end of the Reporting Period (each, a “**First Tier Payment**”) provided that the total First Tier Payments made to the Navy shall not exceed Fifty Million Dollars (\$50,000,000). First Tier Payments shall be made until the total of all First Tier Payments equals Fifty Million Dollars (\$50,000,000). All payments of First Tier Participation shall be due and payable in accordance with Section 4.3.6 hereof.

4.3.3 Payment of Second Tier Participation. The Authority shall continue to submit the IRR Statement and Accounting through the Termination Date. If an IRR Statement shows that Developer has achieved, after reducing Net Cash Flow by the amount of any First Tier Payments, an average IRR of more than 22.5% within any Reporting Period, then the Authority shall within forty-five (45) days after the expiration of the eighth full calendar Quarter occurring after the Initial Closing and forty-five (45) days after the expiration of each subsequent Quarter during the Term hereof, pay the Navy 35% of the total amount of Net Cash Flow that would reduce the cumulative IRR to 22.5% as of the end of the Reporting Period (per the calculation methodology in the Exhibit DD) (a “**Second Tier Payment**”). Second Tier Payments shall be made until the Termination Date. All payments of a Second Tier Payment shall be due and payable in accordance with Section 4.3.6 hereof.

4.3.4 Late Payments and Default. Any failure to pay Initial Consideration and associated interest or Additional Consideration within ten (10) days after the payment due date shall be considered late (“**Late Payment**”). Any Late Payment will incur a late payment penalty equal to two and one-half percent (~~2-1/4~~ 2.5%) of the payment due. Failure to make any required payment under this Agreement in full within thirty (30) calendar days shall constitute a default under this Agreement. Any Late Payment constituting a default hereunder shall accrue interest at the Default Interest Rate from the due date and the Default Interest Rate shall remain in effect on the Late Payment amount until paid. Any late payment penalty and default interest shall not be allowed as a Development Cost. Without limiting any other remedies that the Navy may have at law or equity, if the Authority is in default of this Agreement, the Navy may delay conveyances of additional Parcels without the tolling provisions of Section ~~4.2.2, 4.2.4 and 4.2.5~~ until the Authority has cured the default.

4.3.5 ~~Consideration for Pre-Closing Parcel.~~ RESERVED

~~4.3.5.1 The Parties shall establish the value of the Pre-Closing Parcel within ninety (90) days following the Authority's identification of the Pre-Closing Parcel and~~

request for its conveyance under Section 3.2.2 ("Pre-Closing Parcel Consideration"), which appraisal shall be conducted in accordance with Section 5.4 hereof.

4.3.5.2 If the Pre-Closing Parcel is conveyed to the Authority prior to the Initial Closing, and the Initial Closing subsequently occurs in accordance with this Agreement, then the Initial Consideration shall be deemed to include the Pre-Closing Parcel Consideration, and no additional consideration will be due for the Pre-Closing Parcel.

4.3.5.3 If (i) the Pre-Closing Parcel is conveyed to the Authority prior to the Initial Closing, (ii) the Initial Closing does not occur because the Agreement is terminated pursuant to Section 3.8.4, and (iii) the Historic District does not revert to the Navy pursuant to the non-recourse deed of trust as described in Section 4.2.6.1.2, then the Authority shall make its first installment payment pursuant to the Promissory Note for the Pre-Closing Parcel Consideration commencing ninety (90) days following the termination pursuant to Section 3.8.4, and continuing on each anniversary date thereafter.

4.3.5.4 If the Pre-Closing Parcel is conveyed to the Authority prior to the Initial Closing, and the Initial Closing is extended by mutual agreement of the Parties in accordance with Section 3.8.4, then the Parties shall agree upon the date when the Authority shall provide notice to the Navy that either (i) the Promissory Note for the Pre-Closing Parcel Consideration shall be honored according to its terms, or (ii) the Promissory Note for the Pre-Closing Parcel Consideration shall be returned to the Authority, and the Historic District shall revert to the Navy pursuant to the non-recourse deed of trust. If the Parties mutually agree to commence payments prior to the Initial Closing, then the Authority shall make its first installment payment pursuant to the Promissory Note for the Pre-Closing Parcel Consideration commencing on such date agreed to by the Parties, and continuing on each anniversary date thereafter.

4.3.5.5 If the Authority pays all or any part of the Pre-Closing Parcel Consideration to the Navy under Section 4.3.5.4, and the Initial Closing subsequently occurs, then the principal portion of all or any part of the Pre-Closing Parcel Consideration paid to the Navy shall be credited in full against the Initial Consideration at the Initial Closing.

4.3.6 Accounting.

4.3.6.1 Accounting. The Authority shall cause the Developer to maintain accurate books and records specific to the Project setting forth all components used for determining the Additional Consideration, including, without limitation, each component of Net Cash Flow, and to determine the amount of

Redesign Costs and credits against Initial and Additional Consideration. The Authority shall ensure that each IRR Statement submitted by Developer as required by Sections 4.3.2 and 4.3.3 is accompanied by a complete accounting and computations setting forth the basis of each Additional Consideration to be paid, including the Gross Revenues and Development Costs for the relevant determination period, together with a narrative description of the methodology employed to calculate each Additional Consideration Payment to be due for the relevant period (the "Accounting"). The Accounting shall be in conformance with generally accepted accounting ~~principals~~principles consistently applied ("GAAP") where applicable, or with respect to the IRR Statement, in conformance with appropriate industry standards. An annual ~~accounting~~Accounting shall be provided to the Navy in accordance with Section 5.9.1 hereof. After receipt of the initial Accounting, the Navv shall either approve the Accounting in writing or provide written notice providing reasonable detail of its objections to or queries of the Accounting within ninety (90) days of receipt thereof, provided that the Navy's failure to respond within such ninety (90) day period shall be deemed consent. The Navy shall either approve each subsequent Accounting in writing or provide written notice providing reasonable detail of its objections to or queries of the Accounting within forty-five (45) days of receipt thereof, provided that the Navy's failure to respond within such forty-five (45) day period shall be deemed consent. If the Navy objects to the Accounting, it may determine to exercise its audit rights pursuant to Section 4.3.8.

4.3.6.2 Marina Property Accounting. The Authority shall determine on a quarterly basis all gross revenues and related expenses associated with the Marina Property, and shall prepare a reasonably detailed statement showing all net revenues received by Authority from the Marina Property. The Authority shall provide a copy of such Marina Property statement to the Navy along with each ~~accounting~~Accounting in a timely manner.

4.3.7 Reconciliation.

4.3.7.1 Reconciliation of Final IRR. The Authority shall, within one hundred and eighty (180) days after the Termination Date, submit a Final IRR Statement and Accounting to the Navy, showing the Developer's IRR for the entire term of the Project (the "Final IRR") and all payments of Additional Consideration made to the Navy hereunder. The Final IRR Statement and Accounting shall be performed and certified by an independent Certified Public Accountant in accordance with appropriate industry standards. If the Final IRR Statement and Accounting discloses that the Final IRR exceeded 18% but payments to the Navy of First Tier Participation were less than \$50 million, the Authority shall pay to the Navy the amount necessary to reduce the Final IRR to 18%, so long as the total of all First Tier Participation payments do not exceed \$50 million. If the Final IRR Statement and Accounting discloses that the Final IRR exceeded 22.5%, but

1 payments to Navy of Second Tier Participation hereunder totaled less than 35% of
2 Net Cash Flow for the Project above a 22.5% Final IRR, then Authority shall cause to
3 be paid to Navy the amount of Net Cash Flow necessary to raise the total of Second
4 Tier Participation payments to equal 35% of all Net Cash Flow above a 22.5% Final
5 IRR.

6
7 4.3.7.2 Reconciliation of Redesign Costs. Within one
8 hundred eighty (180) days after completion of all planning, entitlement, design and
9 rebuilding work required under the Redesign Plan, as evidenced by City acceptance
10 of all public improvements and final building inspection sign-off for all
11 improvements as identified in the Work Program, Authority shall provide Navy with
12 a statement that includes an accounting of all Redesign Costs actually incurred by
13 Developer and Authority, and a statement of the amount of credit against Initial
14 Consideration actually taken by Authority. The accounting shall be performed and
15 certified by an independent Certified Public Accountant in accordance with GAAP.
16 To the extent that the amount of the credits taken against Initial Consideration
17 exceeds the actual Redesign Costs shown on the statement, Authority shall promptly
18 cause the Navy to be paid the difference. If the amount of the credit against Initial
19 Consideration is less than the actual Redesign Costs as shown on the Statement, then
20 Authority shall be permitted to continue to credit Initial Consideration and Additional
21 Consideration until the entire actual Plan Redesign Costs are recovered. The Navy is
22 not responsible for Redesign Costs that exceed the Initial and Additional
23 Consideration.

24
25 4.3.8 Audit Rights. The Navy shall be entitled from time to time to audit the
26 Developer's books, records, and accounts pertaining to the Net Cash Flow and all components
27 thereof, the payment of Additional Consideration and the calculations, payments and credits
28 relating to the Redesign Costs. Such audit shall be conducted during normal business hours
29 upon ten (10) business days notice at the principal place of business of the Developer and other
30 places where records are kept. The Navy shall provide the Developer with copies of any audit
31 performed. If it shall be determined as a result of such audit that there has been a deficiency in
32 the payment of any Additional Consideration or an over-credit against Initial Consideration,
33 the Authority shall immediately pay any such deficiency with interest at the Default Interest
34 Rate. In addition, if it shall be determined as a result of such audit that an Accounting has
35 understated the Net Cash Flow for the applicable period by more than five percent (5%), the
36 Authority or the Developer on behalf of the Authority, shall be required to pay, in addition to
37 interest as aforesaid, all of the Navy's costs and expenses connected with the audit or review of
38 Developer's accounts and records for the Project. All such payments shall be paid within thirty
39 (30) days of receipt of written notice to the Authority of such underpayment and such audit
40 costs shall not be allowed as a Development Cost.

41
42 **ARTICLE 5**
43 **CONTROLS**
44

5.1 Horizontal Development Process. The Parties acknowledge that the transaction contemplated by the DDA anticipates that the Developer will (among other things) construct certain infrastructure improvements ~~and otherwise prepare on~~ the Navy Real Property ~~to be divided into Lots that will be offered after conveyance or in accordance with Section 3.12, subdivide the Navy Real Property after conveyance, and offer~~ for sale or ground lease certain of the developable Lots for the development of the vertical improvements. As described below, the sale price or ground lease value of Lots shall be determined in accordance with this Article.

5.2 Sale or Ground Lease of Commercial Lots.

5.2.1 Development by Developer of Critical Commercial Lots. Those Lots designated for commercial use or development in the ~~Illustrative~~ DDA Land Use Plan (collectively, the “**Commercial Lots**”) will be divided into two groups. The first group (the “**Critical Commercial Lots**”), consists of Block M-1 ~~A and M-1B~~ and Buildings 1, 2 and 3, as shown on the DDA Land Use Plan, which will be developed by Developer pursuant to the terms of the DDA. Developer may ground lease or purchase (as the case may be) up to one hundred percent (100%) of the Critical Commercial Lots in accordance with this Section 5.2.1. The second group (“**Non-Critical Commercial Lots**”) consists of ~~all other Commercial Lots including Blocks C-2H, 2Y, and the Senior Officers Quarters Historic District identified on the DDA Land Use Plan, and~~ any of the Critical Commercial Lots that Developer elects not to develop, to the extent permitted under the DDA. If Developer by itself or in joint ventures with other development partners develops the Critical Commercial Lots, the sales price or capitalized ground lease rent (as the case may be) for the Critical Commercial Lots purchased by or ground leased to Developer or the Developer joint venture entity (the “**Critical Commercial Lots Payment**”) shall be derived from a pro-forma (including the financial model of any vertical development that requires a subsidy) prepared by Developer ~~at and approved by the Authority in connection with~~ the approval ~~by Authority~~ of the Sub-Phase application as described in the DDA that contains the applicable Critical Commercial Lot, showing reasonable detail of projected revenues, expenses, subsidies and/or target returns associated with the Critical Commercial Lots, acknowledging that to the extent that the Critical Commercial Lots require subsidy for development, the Critical Commercial Lots Payment may be \$0.00. Developer will provide this information to an independent appraiser and shall request a letter report confirming the appropriateness of Developer’s assumptions and conclusions related to the Critical Commercial Lots. No potential or actual investor or lender shall be prohibited by an exclusivity agreement between the Developer and other investors or lenders from participating in any financing of any Commercial Lot or any other commercial product type developed by parties other than Developer.

5.2.2 Transfer by Developer of Developed Critical Commercial Lots. Developer or the Developer joint venture entity developing the Critical Commercial Lots may, in its sole discretion, subsequently transfer (as that term is defined in the DDA) any of the developed Critical Commercial Lots (the “**Developed Critical Commercial Lots**”) to a third party, provided, however, that any and all revenues received by Developer or the Developer joint venture entity arising from or associated with the transfer of the Developed Critical Commercial Lots shall be treated as Gross Revenues hereunder. Transfer of the Developed Critical

Commercial Lots shall be by sale, or by sub-ground lease or assignment of ground lease, provided, however, with respect to the first transfer of a ground lease by Developer, the transferee shall be required to pay a transfer payment based upon the fair market value for the right to occupy the applicable Developed Critical Commercial Lot on the terms and conditions of the ground lease. A joint venture entity in which Developer holds an ownership interest may purchase the Developed Critical Commercial Lot and in such case, the transfer price shall be determined in accordance with the Appraisal Process described in Section 5.4 hereof. If Developer or a Developer joint venture entity elects to sell/transfer the Developed Critical Commercial Lot ~~to~~ a third-party entity (such parcel, a "Non-Developer Critical Commercial Lot"), the transfer price shall be determined by Auction pursuant to the Auction process applicable to Commercial Lots, as set forth in Section 5.2.4 below.

5.2.3 Sale or Ground Lease of Non-Critical Commercial Lots. At such time as deemed appropriate by the Authority and Developer pursuant to the terms of the DDA, the Authority shall convey to Developer the Non-Critical Commercial Lots. Upon such conveyance, Developer shall be required to offer by Auction the Non-Critical Commercial Lots for sale or sub-ground lease or assignment of ground lease (as applicable).

5.2.4 Auction Process for Commercial Lots. The Auction for a Non-Critical Commercial Lot shall set a minimum bid price based on the pro-forma prepared by the Developer at the approval of each applicable Sub-Phase application(as confirmed by an appraiser letter described in Section 5.2.1) . The minimum bid price shall be set for the Auction for a Non-Developer Critical Commercial Lot immediately no sooner than three months prior to the applicable Auction. The pool of qualified bidders in the Auction of any Non-Critical Commercial Lots or any Non-Developer Critical Commercial Lots shall be determined by the Authority and Developer prior to the applicable Auction based on the Auction Bidder Selection Guidelines applicable to Commercial Lots (attached hereto as Exhibit S-2). The pool of qualified bidders in the Auction of any Non-Critical Commercial Lot or any Non-Developer Critical Commercial Lot and the minimum bid price for the Auction of Non-Developer Critical Commercial Lots shall be provided to the Navy at least 10 days prior to the applicable Auction. If no qualified bids are received for the Non-Critical Commercial Lots, Developer and/or its affiliates will have the option to purchase such Commercial Lot(s) based upon an appraisal in accordance with Section 5.4 hereof. If Developer does not exercise the option to purchase unsold Non-Critical Commercial Lot(s), the Authority and Developer shall mutually agree upon a new minimum bid price to be used in a new Auction, which may take the form of adjustment to the pro forma minimum bid price or an appraisal. In such case, the Authority shall cause Developer to re-bid the Non-Critical Commercial Lot at such time deemed appropriate by the Authority and Developer pursuant to the terms of the DDA. If no minimum bids from qualified bidders are received for the Non-Developer Critical Commercial Lots that are acceptable to Developer, Developer shall reserve the right to withdraw the Non-Developer Critical Commercial Lot from sale and re-bid the Non-Developer Critical Commercial Lot at such future time deemed appropriate in accordance with the terms of the DDA.

5.3 Sale of Market Rate Lots. ~~These~~ Lots identified on the ~~Illustrative~~ DDA Land Use

Plan as appropriate for the development of residential units that are sold or leased at predominantly market rates (the “**Market Rate Units**”) shall be referred to in this Agreement as the “**Market Rate Lots.**” Developer may purchase Market Rate Lots for up to sixty percent (60%) of the Market Rate Units (the “**Developer Lots**”), at a purchase price established by the Appraisal Process described in Section 5.4. Market Rate Lots for approximately twenty percent (20%) of the Market Rate Units shall be available for purchase (at a purchase price established by the Appraisal Process set forth in Section 5.4) by joint ventures in which the Developer or its affiliates have no more than a fifty percent (50%) ownership interest and under which a non-affiliated joint venture partner exercises management control as the “managing partner” (or member, as the case may be) of the joint venture entity (collectively, the “**JV Lots**”). In order to ensure that the Developer Lots and JV Lots are sold at fair market value, Market Rate Lots for approximately twenty percent (20%) of the Market Rate Units will be offered for sale via Auction (collectively, the “**Residential Auction Lots**”) in accordance with Section 5.5. No potential or actual investor or lender shall be prohibited by an exclusivity agreement between the Developer and other investors or lenders from participating in any financing of any Market Rate Lot or any other residential product type developed by parties other than Developer.

5.3.1 Developer Lots. Unless otherwise agreed upon by the Parties in their

reasonable discretion, no more than one-third of the Developer Lots (which also equals 20% of the Market Rate Lots) can be sold directly to Developer, and the balance of the Developer Lots may be sold to an entity or entities comprised of some or all of the same partners as Developer, but having a materially different capital structure than Developer, in accordance with the Appraisal Process. Concurrent with the sale of any Developer Lot to an entity or entities comprised of some or all of the same partners as Developer, but having a materially different capital structure than Developer, a duly authorized officer of Developer shall provide the Authority and Navy with a certified statement that the prospective purchaser has a materially different capital structure than Developer. For purposes hereof, an entity having a “materially different capital structure” means an entity comprised of some or all of the same partners as Developer but one in which there has been a cumulative change of at least 25% in the capital positions of all the partners, and at least one of the partners has changed its capital position by at least 15%. Before the close of each Sub-Phase within each Major Phase, the Developer will provide to the Authority and Navy a list of equity investors for that Sub-Phase. During the implementation of any Sub-Phase, Developer will provide to the Authority and Navy immediately prior to the sale of any parcels to an affiliate of Developer or the equity investors of that Major Phase, a notice of such affiliate sale which notice shall describe why the sale is permitted under the terms of this Agreement. Prior to the close of any sale directly to Developer, the Authority shall cause Developer to provide to the Navy a letter from a real estate broker or licensed real estate professional familiar with the Bay Area market who is not an affiliate of the Developer and has no equity investment in the Developer in such Sub-Phase, finding that acquisition and development of the Market Rate Lot by the Developer is appropriate in the context of then-existing market conditions. The basis of such findings could include, but is not limited to, establishing a new product type, initiating or establishing the development of a new phase in the Project, responding to changes in market conditions, or other similar market-based factors. Any disputes arising out of this Section 5.3.1 shall be referred to the arbitration process for other disputes set forth in Section 27.3.3 hereof.

1
2 5.4 Appraisal Process. The process described in this Section 5.4 (the “Appraisal
3 Process”) shall apply to ~~the Pre-Closing Parcel~~, the Developer Lots, the JV Lots and those
4 Developed Critical Commercial Lots and Non-Critical Commercial Lots for which an appraisal
5 is required under Sections 4.3.5.1, 5.2.2 or 5.2.4. The Authority and Developer shall confer and
6 select an appraiser from the Qualified Appraiser Pool for each such ~~Pre-Closing Parcel~~,
7 Developed Critical Commercial Lot, Developer Lot, Non-Critical Commercial Lot or JV Lot to
8 be appraised. An appraisal used for the purpose of determining the parcel sale price (or ground
9 lease rent, if applicable) shall be updated if a sales contract (or ground lease) for such parcel has
10 not been executed within one (1) year from the date of the appraisal.

11
12 5.4.1 Qualified Appraiser Pool. Appraisals of ~~the Pre-Closing Parcel required~~
13 ~~to be appraised under Section 4.3.5.1~~, any Developed Critical Commercial Lots required to be
14 appraised by Section 5.2.2, the Developer Lots, Non-Critical Commercial Lots required to be
15 appraised under Section 5.2.4 and JV Lots shall be conducted by a qualified appraiser, which
16 for purposes of this Agreement and the DDA shall be defined as an appraiser (i) licensed in the
17 State of California as a Certified General Appraiser and holding the MAI designation from the
18 Appraisal Institute, (ii) practicing or working for at least ten (10) years in either a national firm,
19 or regional firm based in California, (iii) who is not an affiliate of the Developer and has no
20 equity investment in the Developer or the Project investors, (iv) who has particular experience
21 with coastal California real property transactions involving the Product Type that is the subject
22 of the appraisal, and (v) who has no conflict of interest as evidenced by contractual
23 relationships with Developer either existing or in the immediately prior 24 months, unless a
24 conflict waiver is obtained from the Navy. The Parties have agreed upon a list of pre-qualified
25 appraisers, which list is attached hereto as Exhibit Y (the “Qualified Appraiser Pool”). From
26 time to time, either Party may propose in writing to add or subtract additional persons meeting
27 the above qualifications. If the Parties disagree on a proposed addition or subtraction, then the
28 Parties shall follow the dispute resolution procedure set forth in Section 27.3.2.

29
30 5.4.2 Appraisal Instructions. The selected appraiser shall appraise the
31 applicable ~~Pre-Closing Parcel~~, Developer Lot, JV Lot, Non-Critical Commercial Lot (to the
32 extent subject to appraisal under Section 5.2.4) or Developed Critical Commercial Lot (to the
33 extent subject to appraisal by Section 5.2.2) utilizing ~~appraisal instructions by appropriate~~
34 ~~Product Type substantially in the form of those either the Residential Lots Appraisal Instructions~~
35 ~~attached hereto as Exhibit X-1 through X-4 or the Commercial Lots Appraisal Instructions~~
36 ~~attached hereto as Exhibit X-3, as applicable~~, as the Parties hereto may agree to amend from time
37 to time which agreement shall not be unreasonably withheld, conditioned or delayed. If an
38 Excess Land Appreciation Structure is established in a Major Phase by Product Type, such
39 structure will be deemed to apply to all Market Rate Lots in the applicable Major Phase, and the
40 appraisal instructions shall incorporate such terms. If an Excess Land Appreciation Structure
41 established for a Major Phase is later revised in connection with a Sub-Phase, in accordance with
42 Section 5.6 hereof, then such structure will be deemed to apply to all Market Rate Lots in the
43 applicable Sub-Phase, and the appraisal instructions shall incorporate such terms. If material

changes are proposed to appraisal instructions, including assumptions, special assumptions, limiting conditions, hypothetical conditions, and other special instructions, the requesting Party shall propose such amendment in writing, and, if the Parties disagree, they shall follow the dispute resolution procedure set forth in Section 27.3.2.

5.4.3 Notification of Appraisal. The Authority shall provide to the Navy documentation of appraiser selection and appraisal instructions prior to the commencement of the appraisal and shall provide a copy of the complete appraisals promptly following completion of all appraisals.

5.5 Auction Process for Residential Auction Lots. The Authority and Developer in connection with the approval of each Major Phase application, as described below in Section 5.6, shall jointly determine the pool of qualified bidders for each Auction of an Auction Lot based on the Auction Bidder Selection Guidelines for Residential Auction Lots (attached hereto as Exhibit S-1), as agreed upon by the Parties. In the event no qualified third party bids are received at or above the minimum bid price (as described in Section 5.6.3) for the Residential Auction Lots, Developer and/or its affiliates will have the option to purchase such Auction Lot(s) at the minimum bid price and any Residential Auction Lots so acquired by Developer shall not be deemed to apply against the percentage limits otherwise applicable to the Developer Lots or the JV Lots. If Developer does not exercise the option to purchase unsold Auction Lot(s), the Authority and Developer shall mutually agree upon a new minimum bid price to be used in a new Auction (the **"Re-Setting of the Minimum Bid Price"**). The Re-Setting of the Minimum Bid Price may take the form of adjustment to the pro forma minimum bid price or an appraisal. All costs associated with the Auction shall be treated as Development Costs.

5.5.1 Timing of Residential Auction Lots Selection. The Residential Auction Lots will be selected by mutual agreement by the Authority and the Developer prior to approval of each Major Phase application.

5.5.2 Residential Auction Lots as Benchmarks. The Auction Lot sales prices, as deemed appropriate by the appraisers, and other relevant market data shall be used as comparables in the appraisal process for the Developer Lots and the JV Lots. The mix of Product Types of the Market Rate Lots subject to Auction shall roughly mirror that of the Market Rate Lots to be allocated and sold in that Major Phase, with a goal of selecting at least one representative parcel for each Market Rate Lot Product Type offered in that Major Phase. For the purposes of this Agreement and the DDA, **"Product Types"** are defined as a residential building with a typical unit count and building typology that allows general assumptions of construction costs. Examples of such Product Types are townhomes; low rise (up to 70' in height); mid rise (above 70' and up to 125' in height) and towers (above 125' in height).

5.5.3 Guidelines for Residential Auction Lots Selection. The distribution and selection of the Residential Auction Lots shall be based on a principle of nondiscrimination. The selected Residential Auction Lots shall be generally representative of the average advantages and disadvantages of the Market Rate Lots to be developed in that Major Phase. Factors to be considered in such selection include, but are not limited to, parcel size, views, proximity to parks, proximity to the transit center, proximity to the Job Corps site, proximity to the Bay Bridge, proximity to the retail core and exposure to wind (collectively, the "Guidelines for Residential Auction Lot Selection"), attached hereto as Exhibit FF.

5.6 Major Phase Decisions. Prior to approval of each Major Phase or Sub-Phase application, as applicable, the decisions in this Section 5.6 (collectively, the "Major Phase Decisions") shall be agreed upon by the Authority and the Developer and notice thereof shall be provided to the Navy as more fully described in Section 5.7 below. The foregoing notwithstanding, pursuant to the DDA, the Developer or the Authority may, at its election, request amendments of, or modification of, Major Phase Decisions in connection with each Sub-Phase within the Major Phase and during the course of each Sub-Phase. If the Authority and Developer agree upon such amendments or modifications to the Major Phase Decision(s), notice of such amendment or modification shall be provided to the Navy in accordance with Section 5.7 below and the Navy shall have ~~an exercise any rights of objection~~ the right to object to such amendment or modification in accordance with Section 5.7 hereof.

5.6.1 Prior to approval of each Major Phase, the proposed location of Residential Auction Lots within that Major Phase as shown on a revised land plan for that Major Phase showing the distribution of various Product Types.

5.6.2 Prior to approval of each Major Phase, the qualifications of Residential Auction Lot bidders by Product Type for that Major Phase based on the applicable Auction Bidder Selection Guidelines.

5.6.3 Prior to approval of each applicable Sub-Phase, minimum bid prices for the Residential Auction Lots and the Non-Critical Commercial Lots located within that Sub-Phase, which shall be based on the pro forma, as updated prior to approval of the application for such Sub-Phase, as well as any Re-Setting of the Minimum Bid Price, as described above.

5.6.4 Prior to approval of each Major Phase ~~or~~ and each Sub-Phase if updated by Developer at such time, the Excess Land Appreciation Structure for that Phase for each Product Type in such Phase. For purposes of this Agreement and the DDA the "Excess Land

Appreciation Structure" is defined as the structure, procedures and metrics of the then-prevailing, industry standard market based participation in price appreciation greater than forecast at the time of such pad sale (if any) for horizontal development land sellers.

5.7 Navy Objection Rights to Major Phase Decisions.

5.7.1 Notice. The Authority shall send a notice to the Navy in writing providing the details of the Major Phase Decisions (the "**Major Phase Decision Notice**"). The Navy shall have the right to reasonably object to any of the Major Phase Decisions (or any component part thereof) if the Navy believes any of the following is true with respect to the Major Phase Decision at issue: (i) the mix of Product Types for the Residential Auction Lots were not sufficient to achieve adequate benchmarking for that Major Phase; or (ii) the Guidelines for Residential Auction Lot Selection were not followed; or (iii) the Excess Land Appreciation Structure is not commensurate with industry practice, market based participations for that Product Type in such Major Phase, or Sub-Phase as applicable; or (iv) the Auction Bidder Selection Guidelines were not followed.

5.7.2 Right to Object. The Navy shall have ten (10) business days from certified receipt of the Major Phase Decision Notice to object in writing, which grounds may include failure to provide adequate information necessary for the Navy's review, and any such objection shall state with specificity the item or items to which the Navy objects or the items of additional information reasonably requested by Navy. Failure to so object in writing within such ten (10) business day period shall be deemed consent. The Authority shall have five (5) business days to respond to the objection or to seek to confer, as more fully set forth in Section 27.2. If the Authority responds and the Parties do not reach agreement with one another after such response, either Party can request to confer (as set forth in Section 27.2.1). If a conference is requested, the Parties shall confer and attempt to resolve the outstanding objections within five (5) business days of the conference request. Failure to reach agreement at such meeting shall be referred to the expedited dispute resolution process set forth more fully in Section 27.3.2.

5.8 Audit Rights and Reporting. The Authority agrees to submit to the Navy annual audited financial statements specific to this Project within thirty (30) calendar days of completion of the annual audited financial statements, which completion shall in no case be later than ninety (90) calendar days after the end of the year being audited. The Navy shall have commercially reasonable access to the Developer's auditors if the Navy needs clarifications relating to the financial statements. Authority shall provide Navy with annual statements of its records maintained pursuant to Section 5.13.2 hereof, certified by Authority's chief financial officer or equivalent.

5.9 DDA Audit Rights and Reporting. The Authority agrees to provide the Navy with copies of the DDA Reports and any audits promptly upon their receipt by the Authority and further agrees to cause the DDA to provide the following audit rights and reporting requirements for the benefit of the Authority and the Navy, provided, however, that the Navy shall treat such information as confidential to the fullest extent permitted under all laws, rules and regulations applicable to the Navy related to public disclosure of information as long as such confidentiality does not in any way limit the Navy's remedies hereunder:

5.9.1 ~~The Following the Initial Major Phase Approval, the Authority shall cause the Developer shall to~~ provide to the Authority and the Navy, ~~within ninety (90) calendar days after Navy, no later than four (4) months following the end of each year Developer Fiscal Year, an annual Accounting for the preceding Developer Fiscal Year~~ consistent with the requirements of Section ~~4.3.6.1 annualized, 4.3.6.1~~, including reports of Gross Revenues and Development Costs, including Net Cash Flow, specified by Major Phases and including a cumulative project level summary of IRR, executed by the Developer's Chief Financial Officer, certified by the Developer and reviewed by an independent accounting firm. As set forth in Section 1.6(a)(i) of the Financing Plan attached to the DDA, if the Developer obtains a Major Phase Approval less than six (6) months before the end of the Developer Fiscal Year, the reporting may commence for that Major Phase following the close of the following Developer Fiscal Year.

5.9.2 A summary pro forma (including the financial model of any vertical development that requires a subsidy) will be attached to the DDA as an exhibit and the budget will be updated by the Developer prior to the approval of each Major Phase or Sub-Phase application and submitted to the Authority and the Navy for its review.

5.9.3 ~~The pro forma budget will be updated by~~ In conjunction with the annual Accounting, the Developer ~~and submitted shall submit~~ to the Authority and the Navy ~~annually an updated pro forma budget~~ in both a printed and electronic form. The electronic form of the pro forma must be in Microsoft Excel 2007 or its successor format.

5.9.4 The DDA shall provide the Authority and the Navy the right, but not the obligation, to audit the books and accounts of the Developer no more frequently than once per twelve (12) month period, unless such audit reveals a discrepancy in the calculation of Gross Revenues and/or Development Costs or the Developer is otherwise in material default of its financial obligations under the DDA. The Authority, or the Navy, as the case may be, shall bear all costs of such audit unless the results of the audit demonstrate more than a five percent (5%) discrepancy between the results of the audit and the annual financial statements provided by the Developer. Payment by the Authority of audit costs shall not be allowed as a Development Cost if there is a discrepancy of more than five percent (5%). All such reports and audits are subject to

1 the Authority's obligation to treat such information as confidential to the full extent permitted by
2 law. The Navy shall treat such information as confidential to the fullest extent permitted under all
3 laws, rules and regulations applicable to the Navy related to public disclosure of information as
4 long as such confidentiality does not in any way limit the Navy's remedies hereunder.

5
6 5.10 DDA Timelines. The Authority shall provide a Schedule of Performance
7 establishing commercially reasonable timelines for completion of each Major Phase, subject to
8 industry standard force majeure provisions, including regulatory, economic and litigation force
9 majeure.

10
11 5.11 Limit on Soft Costs for Purposes of Calculating Consideration. Except for a
12 reasonable limit on Developer management and overhead fees as further provided herein,
13 Developer Soft Costs will not be capped, but will be subject to a "reasonableness" standard,
14 certain approval rights by the Authority, and subject to audit by the Authority. The Authority
15 agrees that "reasonable" Developer's Soft Costs shall be defined as "incurred in a manner that is
16 consistent with an efficient, well-managed project of comparable scope, duration and complexity
17 and is commensurate with market-based charges by third party providers for similar projects."
18 Whether or not the Developer utilizes unrelated third-party contractors for development,
19 construction and property management services, such management fees and costs will not exceed
20 market-based charges by third-party providers for similar projects, taking into account the level
21 of project management, auditing and reporting requirements. The Developer may provide such
22 management services internally, or through a combination of internal management services and
23 third-party management contractors not owned or controlled by Developer. For purposes of
24 determining Soft Costs for any particular scope of work, a construction management fee may be
25 included not to exceed the lesser of four percent (4%) of Hard Costs or actual construction
26 management fees actually incurred for such scope; a property management fee may be included
27 not to exceed the lesser of two and one-half percent (2.5%) of lease revenues or actual property
28 management fees actually incurred for such scope; and a development/project management fee
29 not to exceed the lesser of three percent (3%) of Hard Costs or actual development/project
30 management fees actually incurred for such scope. If the actual and reasonable costs incurred by
31 Developer exceed the above limits, Developer, on behalf of the Authority may submit a request
32 to the Navy to approve the increase of any applicable fee to an amount equal to the actual cost.
33 Such requests shall be made in writing with appropriate supporting documentation. Failure of
34 the Navy to respond in writing to any such request within thirty (30) days shall be deemed
35 consent. Navy's consent shall not be unreasonably withheld or delayed, and Navy shall make its
36 determination within thirty (30) days of Developer's request. If Navy requests additional
37 information as may be reasonably required to make its determination within ten (10) days of
38 Developer's request, then Navy shall make its determination denying or granting the request
39 within thirty (30) days after receipt of such additional information. The Navy shall only deny its
40 consent if it reasonably determines, as evidenced by its written determination provided to
41 Developer and the Authority, that the cost limit exceedance is inconsistent with current market
42 standards as applied to the scope and nature of the Project and the fee limit request is
43 unreasonable under the circumstances. Any such exceedance objected to by the Navy in
44 accordance with this Section shall not be included as Development Cost.

1
2 5.12 Limit on City Fees and Exactions. The Authority shall limit City fees and
3 exactions to those fees and exactions as set forth in the DDA, at the rate or amounts in effect as
4 of the date of the DDA for a period of time specified in the DDA. The agreed upon development
5 fees and exactions for the Project will be fixed for a specified period of time (through a
6 Development Agreement or other legally enforceable mechanism) and the application of new
7 fees and exactions and changes in City regulations will be limited over the life of the
8 Development Agreement. To the extent legally permissible, the DDA and Development
9 Agreement shall include certain limits on the authority of the City and the Authority to impose
10 new or amend City laws and regulations that would have a material adverse effect on the
11 horizontal or vertical development by the Developer or Vertical Builders or the rights and
12 obligations of the Developer or any Vertical Builder under the DDA, Vertical DDA,
13 Development Agreement or other applicable transactional documents. Any City fees and
14 exactions in violation of these limitations will not qualify as Development Costs.

15
16 5.13 ~~Economic Development Purposes~~Reinvestment of Real Estate Proceeds. Any
17 proceeds from a sale, lease, or equivalent use of the Navy Real Property (i.e., any mechanism
18 that serves to accomplish the same purposes of a sale or lease such as licenses, permits,
19 concession agreements, etc.) received by the Authority for the Navy Real Property during the
20 first seven (7) years after the ~~recording of the first Quitclaim Deed for a part of the Navy Real~~
21 ~~Property~~Initial Closing, must be used to pay the Navy the Initial Consideration and the
22 Additional Consideration as set forth herein, or to support long-term job creation and the
23 economic redevelopment of, or related to, the Navy Real Property. Tax revenues shall not be
24 construed to be proceeds from a sale, lease, or equivalent use of the Navy Real Property.

25
26 5.13.1 Examples of Allowable Uses of Proceeds. Allowable uses of proceeds
27 pursuant to Section 5.13 include payment for, or offsetting the costs of public investment, for the
28 following purposes:

- 29
30 5.13.1.1 Land acquisition;
- 31
32 5.13.1.2 Road construction;
- 33
34 5.13.1.3 Transportation management facilities;
- 35
36 5.13.1.4 Storm and sanitary sewer construction;
- 37
38 5.13.1.5 Police and fire protection facilities and other public
39 facilities;

- 1
2 5.13.1.6 Utility construction;
3
4 5.13.1.7 Building rehabilitation;
5
6 5.13.1.8 Historic property preservation;
7
8 5.13.1.9 Pollution prevention equipment or facilities;
9
10 5.13.1.10 Demolition;
11
12 5.13.1.11 Disposal of hazardous materials generated by demolition;
13
14 5.13.1.12 Landscaping, grading, and other site or public
15 improvements; and
16
17 5.13.1.13 Planning for or the marketing of the redevelopment and
18 reuse of the Navy Real Property.

19
20 Other activities on the Navy Real Property that are related to those listed above
21 (including, for example, new construction related to job creation and economic redevelopment,
22 construction of affordable housing, environmental remediation of the Navy Real Property,
23 environmental insurance, any other capital improvements required to support the economic
24 redevelopment of the Navy Real Property, management and leasing of the Navy Real Property
25 needed to market its redevelopment and reuse and implementation, oversight and regulation of
26 redevelopment of the Navy Real Property via any contracts with public or private entities) would
27 also be considered an appropriate, allowable use of such proceeds.
28

29 5.13.2 Records. Consistent with standard accounting practices for tax purposes,
30 the Authority shall maintain adequate records and books of account for income and expenses
31 related to the redevelopment of the Navy Real Property detailing transactions described in Section
32 5.13 and Section 5.13.1. The Authority shall provide the Navy with access to such records and
33 books of account and proper facilities for inspection thereof at all reasonable times.

34
35 5.13.3 Recoupment of Proceeds. The Navy may recoup all proceeds described in
36 Section 5.13, which have not been reinvested in allowable uses described in Section 5.13 or
37 Section 5.13.1. If recoupment is desired after review of annual financial statements, the Navy
38 shall notify the Authority in writing that it intends to recoup proceeds in a specific amount,
39 describing why it believes that those proceeds have not been reinvested as required by Section

1 5.13 or Section 5.13.1. Within sixty (60) days of receipt of such notification, the Authority shall
2 submit its response to the Navy. Within sixty (60) days of receipt of the Authority's response or
3 within sixty (60) days of the date the Authority's response was due under this Section, the Navy
4 shall issue its decision on the matter, which shall be final and binding on the Authority, subject to
5 the dispute resolution procedures contained in Article 27. The Authority shall pay the amount of
6 recoupment due within sixty (60) days of final resolution of the dispute.

7
8 5.14 Covenant of Good Faith and Fair Dealing. The Authority will provide that the
9 DDA will be subject to, and the Parties agree that this Agreement is subject to a covenant of
10 good faith and fair dealing.

11
12 ~~5.15 Use of Pre-Closing Parcel. If the Pre-Closing Parcel is conveyed to the Authority~~
13 ~~in advance of the Initial Closing and the Pre-Closing Parcel includes the Historic District or~~
14 ~~property that is or may be eligible for listing on the National Register pursuant to Section 3.2.2,~~
15 ~~then the Authority may use the Parcel only for those uses allowed under that certain Master~~
16 ~~Lease dated _____, until such time as the Authority pays the Pre-Closing Parcel~~
17 ~~Consideration.~~

18 ARTICLE 6

19 ~~CONTRACTS AND PERMITS~~ DEVELOPMENT AND DISPOSITION AGREEMENT

20
21
22 6.1 Upon full execution and delivery, the Authority will deliver a copy of this
23 Agreement to the Developer, and this Agreement shall become the Conveyance Agreement as
24 defined in the DDA (and attached as Attachment 2 to the DDA), thereby incorporating the
25 applicable terms of this Agreement into the DDA.

26 ARTICLE 7

27 EASEMENTS, CONTRACTS, PERMITS AND OTHER SIMILAR INSTRUMENTS

28
29
30 7.1 Assignable Easements, Contracts and Permits. As part of the Initial Closing, the
31 Navy shall assign to the Authority (i) the assignable easements, leases, licenses and
32 encroachment permits held by the Navy over, under, or through non-Navy owned property
33 necessary for the operation, maintenance, or improvement of the Property, and (ii) the assignable
34 contracts, permits or other agreements relating to the Navy Property that the Authority has
35 agreed to assume, each as listed on Exhibit I-1, attached hereto (collectively, the "Assignable
36 Easements, Contracts and Permits").

1 7.2 ~~6.1~~—The Navy agrees to assist the Authority, as deemed appropriate by mutual
2 agreement of the Parties, to enable the assignment and amendments required for any assignable
3 contracts, permits, licenses, permits-permits, or other agreements relating to Navy Property that
4 Authority agrees to assume on each Parcel are limited to the following that were in existence on
5 the Effective Date of this Agreement and that are identified by either of the Parties after Closing
6 as necessary for the Authority to develop the Navy Real Property.

7 ~~(the “Contract Assumption List”)~~

8
9 ~~[specifically list the assignable contract, permits or agreements in this Section].~~

10
11 ~~6.2 — At the Initial Closing, the Navy shall assign to the Authority the contracts,~~
12 ~~licenses, permits or other agreements listed in Section 6.1.~~

13
14 **ARTICLE 7**
15 **EASEMENTS AND OTHER SIMILAR INSTRUMENTS**

16
17 7.3 ~~7.1~~ Access and Utility Easements or Other Similar Instruments. At each Closing,
18 the Navy shall grant to the Authority or reserve to itself ~~the following~~ easements, licenses, rights
19 of way, or other similar instruments, as applicable, and at locations mutually and reasonably
20 agreeable to the Parties and adjusted from time to time.

21
22 7.3.1 ~~7.1.1~~ Access Easements.

23
24 7.3.1.1 ~~7.1.1.1~~—The Navy shall grant to the Authority non-
25 exclusive easements, licenses, rights of way, or other similar instruments for ingress
26 and egress on, over and across existing roads on Navy owned Parcels for pedestrian,
27 vehicular and other access ~~(the “Road Easement”)~~ as required to connect the
28 Authority owned Parcels to each other and to connect the Authority owned Parcels to
29 publicly accessible roads adjacent to the Navy owned Parcels (the “Authority Access
30 Easements”). At the Initial Closing, the Authority Access Easements related to the
31 FOST Parcel shall be granted for the area ~~described in Exhibit I-4 attached hereto,~~
32 ~~or reasonably necessary to provide the Authority reasonable access to its property.~~
33 The Authority Access Easements will be provided in an easement agreement or,
34 to the extent mutually agreed by the Parties, in the applicable Quitclaim Deeds or as a
35 license, right of way, or other similar instrument. The Parties shall negotiate in good
36 faith subsequent Authority Access Easements related to other Parcels prior to the
37 subsequent Closing of each such Parcel.

1 7.3.1.2 ~~7.1.1.2~~ The Navy may reserve to itself, its
2 successors and assigns non-exclusive easements or other similar instruments for
3 ingress and egress on, over and across existing roads on Parcels to be conveyed to the
4 Authority for pedestrian, vehicular and other access as required to connect the Navy
5 owned Parcels to each other, to connect the Navy owned Parcels to publicly
6 accessible roads adjacent to the Parcel to be conveyed to the Authority ("**Navy
7 Reserved Access Easement**"). The Navy may reserve non-exclusive easements or
8 other similar instruments for access to third parties that own portions of the former
9 Naval Station Treasure Island, which were previously disposed of and conveyed by
10 the Navy, for ingress and egress on, over and across existing roads on Parcels to be
11 conveyed to the Authority for pedestrian, vehicular and other access as required to
12 connect third party owned parcels of real property to public roads adjacent to the
13 Parcel to be conveyed to the Authority ("**Third Party Access Easement**"). The
14 Navy Reserved Access Easement and Third Party Access Easement are collectively
15 referred to as the "**Navy Access Easements.**" ~~Such Navy Access Easements shall be
16 reserved or granted by the Navy substantially in conformance with the areas shown
17 on Exhibit I-6.~~

18
19 7.3.1.3 ~~7.1.1.3~~ The Authority Access Easements and Navy
20 Access Easements shall include the following:

21
22 ~~7.1.1.3.1~~ 7.3.1.3.1 Each Party shall have the right, but
23 not the obligation, to access, repair and maintain such roads, at its own expense, and
24 to the extent that such access, repair or maintenance does not interfere with the
25 development or the environmental remediation of any of its own property.

26
27 ~~7.1.1.3.2~~ 7.3.1.3.2 Use of existing roadways by the
28 Parties to the Authority Access Easements or Navy Access Easements, or their
29 successors or assigns, shall be at the sole cost and expense of said Parties, their
30 successors and assigns, without any representation or warranty on the part of the
31 Parties regarding the condition or state of repair of said roadways or any obligation to
32 make, or liability for, any alterations, improvements, repairs or additions thereto.

33
34 ~~7.1.1.3.3~~ 7.3.1.3.3 The location of the Authority Access
35 Easements and Navy Access Easements will be adjusted from time to time as
36 necessary to accommodate the redevelopment activity. The Party on whose property
37 the Authority Access Easements or Navy Access Easements exists (the "**Owner
38 Property**") shall not redevelop, close, abandon, reconfigure or replace existing
39 roadways within such easement in such a manner that would unreasonably interfere
40 with the ability of the other Party to exercise its access rights to the easement except
41 where the Party on whose property the Authority Access Easements or Navy Access
42 Easements exists provides the other Party with suitable comparable alternative access
43 over other areas of the Property. Where such redevelopment, closure, abandonment,

1 reconfiguration or replacement is necessary to conduct actions required by the
2 redevelopment that results in such roadway subject to this easement no longer
3 providing the intended access or otherwise ceasing to exist, the Authority Access
4 Easement or Navy Access Easements, as applicable, shall be moved from time to
5 time to include, in the following order of priority either (i) access over other
6 improved roads that may exist on the Owner Property, (ii) access over other
7 unimproved roads that may exist on the Owner Property, or (iii) access over other
8 unimproved portions of the Owner Property. The adjustment of the Access
9 Easements shall be completed by revising the exhibits in the original Quitclaim Deeds
10 or other applicable instruments with written approval by the Navy or the Authority.
11 The approval will not be unreasonably withheld.

12
13 7.1.1.3.4-7.3.1.3.4 The Navy Access Easements shall
14 continue until such time as final subdivision maps are recorded and attendant street
15 dedications provide public access. The Authority Access Easements shall continue
16 until such time as either the Parcel is owned by the Authority or final subdivision
17 maps are recorded and attendant street dedications provide equivalent access.

18
19 7.3.2 7.1.2-Utility Easements. Prior to the Initial Closing and any subsequent
20 Closing, as appropriate, the Navy shall grant to the Authority on Navy owned Parcels, or reserve
21 to itself on Parcels being conveyed to the Authority, easements, licenses, rights of way, or other
22 similar instruments for the operation and maintenance of existing utilities, and installation,
23 operation and maintenance of all or portions of new utility systems on said Parcels ("Utility
24 Easements"). Such Utility Easements on Navy owned Parcels may be provided pursuant to the
25 Utility Utilities Agreement referenced in Article 9 hereof. Such Utility Easements on Parcels
26 being conveyed to the Authority shall be reserved by the Navy ~~substantially in conformance with~~
27 ~~the areas shown on Exhibit I-2, as reasonably necessary to provide the remaining Navy-owned~~
28 parcels with utility service. The location of the Utility Easements will be adjusted from time to
29 time as necessary to accommodate the redevelopment activity. The Party on whose property the
30 Utility Easements exist (the "**Owner Property**") shall not redevelop, close, abandon, reconfigure
31 or replace existing utilities within such easement in such a manner that would unreasonably
32 interfere with the ability of the other Party to exercise its use of the utilities except where the
33 Party on whose property the Utility Easements exists provides the other Party with suitable
34 comparable alternative utility service and easements over other areas of the Property. Where
35 such redevelopment, closure, abandonment, reconfiguration or replacement is necessary to
36 conduct actions required by the redevelopment that results in such utility no longer providing the
37 intended service or otherwise ceasing to exist, the Utility Easement, as applicable, shall be
38 moved from time to time to include, in the following order of priority either (i) utilities in other
39 improved roads that may exist on the Owner Property, (ii) utilities in other unimproved roads
40 that may exist on the Owner Property, or (iii) utilities in other unimproved portions of the Owner
41 Property. The adjustment of the Utility Easements shall be completed by revising the exhibits in
42 the original Quitclaim Deeds or other applicable instruments with written approval by the Navy
43 or the Authority. The approval will not be unreasonably withheld.

~~7.1.3 Assignable Easements. As part of the Initial Closing, the Navy shall assign to the Authority the assignable easements, leases, licenses and encroachment permits held by the Navy over, under, or through non-Navy owned property necessary for the operation, maintenance, or improvement of the Property, as listed on Exhibit I-1, attached hereto (the "Assignable Easements").~~

~~7.4~~ **7.2 Cost of Work on the Easements.** The cost of any work and improvements on the easements shall be borne entirely by the Party undertaking such work, except to the extent agreed to in writing by the Parties. The cost of the preparation of surveys and legal descriptions of the easements shall be borne by the requesting Party, except to the extent agreed to in writing by the Parties.

ARTICLE 8 CLOSING AND SETTLEMENT

8.1 **Opening of Escrow.** On or before the Effective Date of this Agreement, the Parties shall open escrow by depositing an executed copy of this Agreement with Title Company. The Parties agree to jointly develop escrow instructions for the Initial Closing and each subsequent Closing, if applicable. The Authority shall deposit the agreed upon escrow instructions with the Title Company that shall serve as the instructions to the Title Company, as the escrow holder, for each of the Closings contemplated hereby. The Navy and the Authority agree to execute such additional escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

8.2 **Navy Deliveries.** The Navy shall deliver to escrow at least five (5) days prior to any Closing the following documents, as applicable ("**Navy Closing Documents**"), in a form previously reviewed and approved by the Authority, and duly executed and authorized (and acknowledged if necessary for recordation):

8.2.1 Quitclaim Deed(s) substantially in the form as set forth in Exhibit D-1, Exhibit D-2, or Exhibit D-3, as applicable, attached hereto.

8.2.2 Final FOST(s), as appropriate for such Parcel(s) to be conveyed at such Closing that meet the conditions of Section 3.4, and copies of all Regulatory Authority approvals obtained for the applicable Parcel relating to the investigation and environmental response for underground and above-ground petroleum storage tanks, and any releases of petroleum, petroleum derivatives, petroleum fractions, or any chemicals, compounds or products that result from their degradation that meet the conditions of Article 18.

8.2.3 Bill of Sale for the Navy Personal Property conveyed to the Authority for such Parcel(s), in substantially the form set forth in Exhibit H-1.

~~8.2.4 Any appropriate instrument(s) assigning the Assumed Contracts and copies of the Assumed Contract(s), as applicable, Bill of Sale for the Navy owned Utility Infrastructure located on such Parcel(s) and for the Initial Closing, including off-site Utility Infrastructure, in substantially the form set forth in Exhibit H-2.~~

8.2.5 Any Access Easement(s) required by the Authority relating to such Parcel(s), in accordance with Section 7.3.1 of this Agreement, ~~which shall be substantially in the form set forth in Exhibit I-4.~~

8.2.6 Any Utility Easement(s) required by the Authority relating to such Parcel(s), in accordance with Section 7.3.2 of this Agreement, ~~which shall be substantially in the form set forth in Exhibit I-3.~~

8.2.7 Any appropriate instruments assigning the Assignable ~~Easement(s) Easements, Contracts and Permits~~ required by the Authority in accordance with Section 7.1 of this Agreement, ~~which shall be substantially in the form set forth in Exhibit I-2.~~

8.2.8 Any appropriate instruments assigning or replacing the Non-Assignable Easements, Contracts and Permits and perfecting the Unperfected Easements, Contracts and Permits necessary for electricity to be provided to Treasure Island as required by Section 3.7.1.8 hereof that the Navy has obtained.

8.2.9 If applicable, any appropriate instruments assigning or replacing the Non-Assignable Easements, Contracts and Permits and perfecting the Unperfected Easements, Contracts and Permits that are not necessary for electricity to be provided to Treasure Island, which the Navy has been able to obtain as described in Section 3.6 hereof.

8.2.10 ~~8.2.9~~ Any LIFO, easements, or other instruments that may be required under Section 3.12.

8.2.11 ~~8.2.10~~ For the Initial Closing, a Utilities Agreement or subsequent amendments, as the case may be, as set forth in Article 9, as applicable.

1 8.2.12 ~~8.2.11~~ The Land Use Covenant, as applicable.

2
3 8.2.13 ~~8.2.12~~ Such additional documents as may be required to close escrow,
4 under this Agreement or by California law.

5
6 8.2.14 ~~8.2.13~~ Representation to the Authority, in substantially the form set forth in
7 Exhibit N-1, stating that as of the date of Closing, the Navy has the full capacity, right, power,
8 and authority to execute, deliver, and perform this Agreement pursuant hereto for the Closing
9 unless subsequently prohibited by law.

10
11 8.3 The Authority Deliveries. The Authority shall deliver to escrow at least five (5)
12 days prior to the Initial Closing and, to the extent applicable, any other Closings, the first
13 Installment Payment of the Initial Consideration payable in accordance with Section 4.2 and the
14 following documents in a form previously reviewed and approved by the Navy, and duly
15 executed and authorized (and acknowledged if necessary for recordation) (the "**Authority**
16 **Closing Documents**");

17
18 8.3.1 Acceptance of Quitclaim Deed(s) substantially as set forth in Exhibit D-
19 ~~1, Exhibit D-2, or Exhibit D-3, as applicable,~~ attached hereto.

20
21 ~~8.3.2 Acceptance of the assignment of the Assumed Contracts substantially in~~
22 ~~the form attached hereto as Exhibit BB.~~

23
24 8.3.2 ~~8.3.3~~ Any LIFO, easements, or other instruments that may be required
25 under Section 3.12.

26
27 8.3.3 ~~8.3.4~~ For the Initial Closing, a Utilities Agreement, or subsequent
28 amendments, as the case may be, as set forth in Article 9, as applicable.

29
30 8.3.4 ~~8.3.5~~ Any appropriate instruments assigning or replacing the Non-
31 Assignable Easements, Contracts and Permits and perfecting the Unperfected Easements,
32 Contracts and Permits necessary for electricity to be provided to Treasure Island as required by
33 Section 3.7.1.8 hereof that the Authority has obtained.

34
35 8.3.5 ~~If applicable, any appropriate instruments assigning or replacing the Non-~~
36 ~~Assignable Easements, Contracts and Permits and perfecting the Unperfected Easements,~~

1 Contracts and Permits that are not necessary for electricity to be provided to Treasure Island as
2 required by Section 3.6 hereof.

3
4 8.3.6 Acceptance of any Access Easement(s) required by the Authority relating
5 to such Parcel(s) in accordance with Section 7.3.1 of this Agreement, ~~which shall be substantially~~
6 ~~in the form set forth in Exhibit I-4, attached hereto.~~

7
8 8.3.7 Acceptance of any Utility Easement(s) required by the Authority relating to
9 such Parcel(s) in accordance with Section 7.3.2 of this Agreement, ~~which shall be substantially in~~
10 ~~the form set forth in Exhibit I-3, attached hereto.~~

11
12 8.3.8 Acceptance of any Assignable ~~Easement(s)~~ Easements, Contracts and
13 Permits, Non-Assignable Easements, Contracts and Permits and the Unperfected Easements,
14 Contracts and Permits required by the Authority relating to such Parcel(s), in accordance with
15 Section 7.1 of this Agreement, ~~which shall be substantially in the form set forth in Exhibit I-1,~~
16 ~~attached hereto.~~

17
18 8.3.9 Such additional documents as may be required to close escrow, under this
19 Agreement or by California law.

20
21 8.3.10 Representation to the Navy, in substantially the form set forth in Exhibit N-
22 2, stating that as of the date of Closing, the Authority has the full capacity, right, power, and
23 authority to execute, deliver, and perform this Agreement pursuant hereto for the Closing unless
24 subsequently prohibited by law.

ARTICLE 9

UTILITY INFRASTRUCTURE AND UTILITIES AGREEMENT

9.1 ~~Without limiting the Parties' obligations under this Agreement, the Parties shall execute and enter into an agreement that addresses ownership and use of existing utilities by the Parties in light of the Parties' separate ownership of the different Parcels of the Navy Real Property (a "Utilities Agreement"). The Parties shall enter into a Utilities Agreement related to the conveyance of the POST Parcel in substantially the form attached hereto as Exhibit EE at the Initial Closing and shall enter into amendments thereto (pursuant to the terms of the Utilities Agreement) at each subsequent Closing, as necessary. Utilities Agreement. Concurrently with this Agreement, the Parties are entering into a Utilities Agreement in the form attached hereto as Exhibit E relating to the phased transfer of the existing utility infrastructure on Treasure Island (the "Utility Infrastructure"). At the time of any transfer of real property from the Navy to the Authority under this Agreement, (i) the Caretaker Agreement shall not terminate with respect to the real property on Treasure Island retained by the United States (or to any existing utility lines or retained easements required to maintain service to such real property under the Caretaker Agreement) as a result of the transfer, and (ii) the Caretaker Agreement shall automatically terminate with respect to the real property that is transferred to the Authority.~~

9.2 Navy Role. So long as the Authority maintains an ownership interest in Treasure Island, or operates and maintains the utility infrastructure pursuant to the Caretaker Agreement and the Master Leases, the Navy will not be required under this Agreement to assume responsibility for the operation or maintenance of the Utility Infrastructure or expend funds for such purpose.

9.3 Authority Role. From the Effective Date of this Agreement until such time as the responsibility for providing a specific utility service is assumed by a public utility, the Authority will continue to operate and maintain the Utility Infrastructure under the Caretaker Agreement, as amended from time to time and for so long as it remain in effect, consistent with the Authority's past practice, subject to any required approvals and appropriations of (a) the Authority's Board of Directors and the City's Board of Supervisors and Mayor, and (b) the Secretary of the Navy or his/her designee as appropriate, each in their sole and absolute discretion. The Authority is not a public utility, and therefore shall procure utility services from a public utility as necessary to fulfill its obligations under this Agreement.

9.3.1 During the term of the Caretaker Agreement, the Authority staff shall seek appropriations and any required approvals to continue to operate and maintain the Utility Infrastructure consistent with the Authority's past practice and past annual expenditures before the Effective Date. The Parties understand that the Authority's past practice and past annual utility expenditures have been generally limited to the revenues received by the Authority from utility operations at Treasure Island and some portion of the revenues received from the property on Treasure Island (which are also used to fund all operations and maintenance at Treasure Island and not just utility operations and maintenance). If and to the extent that the Authority has obtained in the past, or obtains in the future, appropriations of funds for utilities operations and maintenance from additional sources such as the City's General Fund (above the revenues

received from subleasing activities), any such appropriation will not create an obligation by the Authority to continue to seek such an appropriation in the future, and nothing in this Article 9 shall amend or limit the provisions set forth in Section 22.2.

9.3.2 The Authority shall expend all revenues received by the Authority from the delivery of utility services at Treasure Island on utility-related costs at Treasure Island. Upon receipt of appropriations for utilities maintenance, repairs and operations at Treasure Island, the Authority shall expend all such appropriated funds for utility repairs, maintenance and operations at Treasure Island. Subject to the availability of appropriations as set forth above, the Authority shall use good faith efforts to continue to operate and maintain the utility systems at Treasure Island during the normal course of development until such time as the responsibility for providing a specific utility service is assumed by a public utility.

9.3.3 The United States Coast Guard (the "Coast Guard"), an agency of the United States, operates federally owned land, buildings, and structures on Yerba Buena Island (the "Coast Guard Installation") for the benefit of the public, including maritime search and rescue and oil spill response. Other users of the Coast Guard Installation include other federal agencies, agencies of the State of California, and San Francisco municipal agencies, including the San Francisco Fire Department and San Francisco Police Department. Although the Coast Guard Installation is separate from and not part of Naval Station Treasure Island, all users of the Coast Guard Installation are entirely reliant on the existing utility infrastructure installed by the Navy decades ago. The Coast Guard Installation is not subject to the authority provided by § 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, 10 U.S.C. § 2687 note, as amended, and is not subject to closure or transfer to the Authority. Subject to the limitations set forth above, the Authority shall consider public health and safety and the Coast Guard Installation's role in the protection of the environment in the San Francisco Bay and the operation of the Ports of San Francisco and Oakland in all decisions regarding the utility infrastructure serving Treasure Island and Yerba Buena Island.

9.4 Utilities During Development.

9.4.1 The Parties agree that the proposed development of Treasure Island and Yerba Buena Island with new utility infrastructure will benefit all residents and occupants of Treasure Island and Yerba Buena Island, including the Coast Guard, and that the sooner that such new utility infrastructure can be built, the better for all residents and occupants as such new utility infrastructure will help to improve system reliability and performance.

9.4.2 It is the objective of the Parties that utility services to all occupants of Treasure Island and Yerba Buena Island, including the Coast Guard, shall be available during the normal course of development until such time as the responsibility for providing a specific utility service is assumed by a public utility. Nevertheless, given the current state of the Utility Infrastructure and the duration of the Treasure Island development period (and the limitation of

1 revenue sources), the Authority cannot guarantee the continued and uninterrupted availability of
2 utility services to Treasure Island. The failure of any Utility Infrastructure, by itself, shall not be
3 a default under this Agreement or give rise to any right or claim against the Authority.

4
5 2.4.3 The Authority and its successors may remove, alter, relocate, or abandon
6 any of the Utility Infrastructure, provided that replacement of that component of the Utility
7 Infrastructure is installed as part of the proposed work (if needed to continue to provide service
8 to the Coast Guard Installation), and there is no material interruption or decrease in service (other
9 than temporary interruptions consistent with infrastructure repair and replacement projects) to
10 the Coast Guard Installation as a result of such work. The Authority shall be responsible for
11 promptly repairing any utility line damaged by the Authority or its agents in connection with
12 work undertaken by it. The Authority shall keep the Navy and the Coast Guard reasonably
13 informed of development plans and schedules that may impact the Coast Guard's access to utility
14 service, and shall respond to requests for additional information.

15
16 2.5 Key Infrastructure. In connection with any transfer of land from the Navy to the
17 Authority, the Navy will (a) reserve non-exclusive easements (each individually an "Easement"
18 and collectively the "Easements") for the use, inspection, operation, maintenance, repair and
19 replacement of the Utility Infrastructure on, over, under, and across those portions of the
20 Property described in the following exhibits (each individually an "Easement Area" and
21 collectively the "Easement Areas"): (i) Exhibit MM-1 easement for water lines; (ii) Exhibit
22 MM-2 easement for electric lines; (iii) Exhibit MM-3 easement for natural gas lines; and (iv)
23 Exhibit MM-4 easement for wastewater lines, and (b) retain fee title to the appropriate Utility
24 Infrastructure located within the Easement Areas (the "Key Infrastructure"). The Authority
25 shall have the right to relocate the Key Infrastructure without the prior consent of the Navy or the
26 Coast Guard, so long as (a) the requirements set forth in Section 2.4.3 are satisfied, and (b) the
27 Coast Guard has been informed of the proposed relocation project at least sixty (60) days before
28 the relocation. Upon the completion of any such relocation, following the cut over and
29 functional operation of the new utility line, the Authority shall provide a legal description of the
30 new Easement Area and deliver to the Navy an easement, in recordable form, that grants access
31 to the relocated Key Infrastructure in the same manner as that reserved by the original Easement,
32 and the Navy shall deliver to the Authority or its successor a quitclaim deed or other instrument,
33 in recordable form, that terminates the original Easement.

34
35 2.5.1 In exercising any rights in the Easement Areas, the Navy and/or the Coast
36 Guard shall (i) provide at least sixty (60) days prior notice before performing any excavation,
37 repair or replacement of any utility infrastructure, except in the event of an emergency, (ii)
38 perform such work in accordance with applicable requirements taking into consideration
39 customary engineering standards and practices in San Francisco, and seek to minimize safety
40 hazards, property damage and disruption, (iii) use reasonable, good faith efforts to comply with
41 the reasonable traffic and utility coordination requirements of Grantee, (iv) comply with the
42 requirements of the Underground Service Alert regarding notification of excavation and marking
43 of subsurface facilities, (v) promptly repair any damage to property (including any utility
44 infrastructure) resulting from exercise of its easement rights, and (vi) comply with the utility

1 provider's standard terms and conditions if and when connecting to that utility provider's
2 equipment. Notwithstanding anything to the contrary above, in the event of an emergency, the
3 Coast Guard shall have the right to begin work immediately if it reasonably determines that the
4 Authority is not able or willing to perform the required repair work.

5
6 9.5.2 In connection with the use of the Easement Areas, the Navy and the Coast
7 Guard shall meet and confer with Authority, and the parties shall coordinate and cooperate in
8 good faith at all times to expeditiously resolve all matters and to avoid any potential conflicts in
9 use, and any disruption in the operations of Treasure Island and Yerba Buena Island to the
10 greatest extent possible. In the event of any dispute regarding the Easement Areas, the conflict
11 dispute resolution process described in Section 27.2.1 shall apply, provided the foregoing shall
12 not prevent the Coast Guard from making any emergency repairs as needed to restore service to
13 the Coast Guard Installation as set forth in Section 9.5.1. To the maximum extent provided by
14 law, the Authority, the Navy and the Coast Guard shall each remain responsible for all liabilities,
15 claims, demands, judgments, suits, litigation, or amounts payable attributable to their respective
16 uses or activities on or about the Property.

17
18 9.5.3 When the Authority has installed a new utility line that has been dedicated
19 to and accepted by a public utility, and utility service to the Coast Guard Installation can connect
20 to such new infrastructure in accordance with the public utility's standard terms and conditions
21 of service (such that the Easement Area is no longer needed), the applicable Easement will
22 automatically terminate, together with the Navy's rights in and to the Key Infrastructure located
23 within that Easement Area, except to the extent that the point of connection is located outside the
24 Coast Guard Installation, in which case the easement shall continue to run in perpetuity from the
25 Coast Guard Installation to the point of connection. At the request of the Authority or the
26 successor owner of the applicable property, the Navy shall confirm the termination of the
27 Easement and the transfer of the Key Infrastructure by executing and delivering a quitclaim
28 deed, bill of sale, or other instrument in a form reasonably acceptable to the Authority or its
29 successor.

30 31 **ARTICLE 10** 32 **TIME OF THE ESSENCE AND POSTPONEMENT** 33

34 **10.1 Time is of the Essence.** The Parties agree that a fundamental component of this
35 Agreement is the timely disposal of the Navy Real Property by the Navy, which will permit the
36 economic redevelopment of the Navy Real Property. Accordingly, the Parties agree that time is
37 of the essence in this Agreement.

38
39 **10.2 Postponement.** A party who is subject to Excusable Delay in the performance of
40 an obligation hereunder (including, without limitation, compliance with the Conveyance
41 Schedule), or in the satisfaction of a condition to the other Party's performance hereunder, shall

1 be entitled to a postponement of the time for performance of such obligation or satisfaction of
2 such condition during the period of enforced delay attributable to an event of Excusable Delay.

3
4 10.2.1 Notice of Excusable Delay. The Excusable Delay provisions of this
5 Section shall not apply unless ~~(x1)~~ the Party seeking to rely upon such provisions shall have given
6 notice to the other Party as soon as reasonably possible, but in no event later than the earlier of (i)
7 thirty (30) days after obtaining knowledge of the beginning of an Excusable Delay or (ii) the
8 deadline for performance of the term, covenant or condition of this Agreement that is subject to
9 the Excusable Delay, of such delay and the cause or causes thereof, to the extent known, and ~~(y2)~~
10 the Party claiming the Excusable Delay must at all times be acting diligently and in good faith to
11 avoid foreseeable delays in performance, and to remove the cause of the delay or to develop a
12 reasonable alternative means of performance. Notwithstanding the foregoing, no later than thirty
13 (30) days after the execution of this Agreement, the Parties shall provide notice to the other of any
14 event of Excusable Delay that may exist as of the date of execution but may have arisen prior to
15 the execution hereof.

16
17 10.2.2 Extensions. Either Party may extend time for the other Party's
18 performance of any term, covenant or condition of this Agreement or permit the curing of any
19 default upon such terms and conditions as it determines appropriate; provided, however, that
20 any such extension or permissive curing of any particular default shall not operate to release
21 any of the other Party's obligations, nor constitute a waiver of the extending Party's rights with
22 respect to any other term, covenant or condition of this Agreement or any other breach of this
23 Agreement. The Parties may extend the time for performance by either or both Parties of any
24 term, covenant or condition of this Agreement by a written instrument signed by authorized
25 representatives of both Parties without the execution of an amendment to this Agreement.

26
27 **ARTICLE 11**
28 **ENVIRONMENTAL REPORTS**
29

30 11.1 From and after the Effective Date, the Navy will make available to the Authority
31 all known Environmental Reports prepared by or for the Navy with respect to the Navy Real
32 Property that is subject to the Closing. The Authority and its agents, its successors, and its
33 transferees, at their own expense, shall have the right to inspect, review, and copy any or all of
34 the Environmental Reports within a reasonable timeframe of providing notice to the Navy.

35
36 11.2 The CERCLA administrative record component of the Environmental Reports
37 shall be indexed and an up-to-date copy of the index and the location of the records shall be
38 provided to the Authority prior to each Closing, at no cost to the Authority. The administrative
39 record shall be maintained by the Navy in the San Diego area or at another location at or
40 proximate to the Navy Real Property.

11.3 The CERCLA administrative record will be maintained by the Navy for a period of ten (10) years following the date that the last Parcel is transferred to the Authority.

ARTICLE 12 DELIVERY OF THE NAVY REAL PROPERTY DOCUMENTS

12.1 From and after the Effective Date, the Navy will make available to the Authority for inspection and copying those surveys, soils and geological reports, studies, assessments, test results, well close-out reports, leases, licenses, easements, permits, contracts and other documents relating to the physical or structural composition of the Navy Real Property including plans and specifications for buildings and other improvements, drawings of underground utility systems (including gas, sewer, water, electrical, and telephone), personal property (including executed and completed motor vehicle transfer of ownership forms) and any and all other documents of material significance to the ownership, use, management or operation of the Navy Real Property ("Navy Real Property Documents") which are physically located at the following repositories: (1) Building 1, Treasure Island, and (2) Southwest Division of the Naval Facilities Engineering Command, San Diego, California. The Navy shall permit access to the Authority to the identified repositories and such other locations that may be subsequently identified for inspection and copying of any Navy Real Property Documents available to the Navy that are identified by the Authority related to the Navy Real Property. The Authority and its transferees and agents, at their own expense, shall have the right to inspect, review, and copy any or all of the Navy Real Property Documents with reasonable prior notice to the Navy. Nothing herein shall require the Navy to release information, documents, or databases to the Authority or other parties that would be contrary to the Freedom of Information Act, that are privileged, or that would ~~in~~ be in violation of federal law.

ARTICLE 13 NAVY ~~CARETAKER SITE~~ OFFICE

13.1 Commencing on the date of the Initial Closing and continuing until the date that is seven (7) years after the Initial Closing (unless terminated earlier by Navy), the Navy shall have the right to occupy up to three thousand five hundred (3,500) square feet of office space and up to two thousand (2,000) square feet of space for file storage, which file storage may be located in non-contiguous or non-adjacent spaces, for the Navy caretaker site office (the "Navy Office") and six reserved parking spaces. At the Initial Closing, the Navy Office will continue to be located in Building 1, as more particularly shown on Exhibit K-1 attached hereto and to the extent practicable, Navy shall be permitted to remain in its presently existing office space until such space is required for implementation of the Project. The terms of occupancy for the Navy Office ~~shall be substantially in the form of~~ are set forth in Exhibit K-2 attached hereto ("Navy Office Agreement Provisions"). Navy shall be responsible for its cost of utilities serving the Navy Office, but the Navy Office Agreement Provisions shall otherwise be rent free for the seven (7) year period. The Authority shall have the right, from time to time during the Navy Office Agreement Provision term, to relocate the Navy Office to another location within Building 1 or to one of the buildings known as the Great Whites as more particularly shown on Exhibit K-3 attached hereto, or to any other adequate location on Treasure Island or Yerba Buena Island, by

giving Navy no less than ~~threesix~~ (36) months' prior written notice. The relocation premises shall be substantially equivalent in size, general quality, and dimensions to the then-existing premises but while the office space shall be contiguous, the relocated storage space may be located in one or more non-contiguous spaces. The Authority shall bear ~~anyall~~ reasonable costs incurred by the Authority to physically relocate Navy to any relocation space, and shall be responsible for the cost of standard tenant improvements for the relocation consistent in quality with the Navy's current space in Building 1. Reasonable costs and standard tenant improvements, as those terms are used herein, shall include but not be limited to the cost of a dedicated T1 transmission line at any relocation space and the cost of establishing Navy and Marine Corp Intranet (NMCI) connectivity to the relocation space. The Navy Office Provisions further outlines the requirements of the Authority and the Navy. Navy shall be entitled at any time upon thirty (30) days prior written notice to terminate the Navy Office Provisions. At the expiration of the initial seven (7) year occupancy period, the Navy may elect to terminate ~~the Navy Office Agreement~~its occupancy, or to renew its occupancy under the same terms as the Navy Office AgreementProvisions provided that consideration for any renewal period will be at fair market rent, to be determined by the Authority based on the highest and best use permitted for the occupied space, supported by documented market examples at Treasure Island, if available. The Authority shall have the right to assign its interest in Building 1, or the building to which the Navy is relocated, to Developer or its successors or assigns, by leasehold or other instrument, so long as the Authority retains rights under such leasehold or other instrument that will enable the Authority to satisfy its obligations to provide the Navy Office and the six reserved parking spaces in accordance with the terms of this Section and the Navy Office Provisions.

13.2 All personal property associated with the Navy Office shall be excluded from transfer until such time as the Navy Office ~~AgreementProvisions~~ is terminated. Upon Navy Office ~~AgreementProvisions~~ termination, the Navy upon its sole right shall determine excess personal property to be made available to the Authority.

ARTICLE 14 NAVY REPRESENTATIONS

14.1 The Navy hereby represents to the Authority on and as of the Effective Date and will represent as of the date of each Closing as follows:

14.1.1 Execution of Agreement. That the Navy has full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed by the Navy pursuant hereto, and all required action and approvals ~~therefor~~therefore have been duly taken and obtained for the execution of this Agreement. The Navy further represents to the Authority that as of the date of Closing, the Navy shall have full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed by the Navy pursuant hereto for the Closing unless subsequently prohibited by law. This Agreement and all documents to be executed pursuant hereto by the Navy are and shall be binding upon and enforceable against the Navy in accordance with their respective terms.

1
2 14.1.2 Complete Information. All known relevant Environmental Reports and
3 Navy Real Property Documents of material significance have been made available to the
4 Authority for inspection and copying.

5
6 **ARTICLE 15**
7 **AUTHORITY REPRESENTATIONS**
8

9 15.1 The Authority hereby represents to the Navy that on and as of the Effective Date,
10 the Authority has full capacity, right, power and authority to execute, deliver and perform this
11 Agreement and all documents to be executed by the Authority pursuant hereto, and all required
12 action and approvals ~~therefor~~therefore have been duly taken and obtained for the execution of
13 this Agreement. The Authority further represents to the Navy that as of each Closing, the
14 Authority shall have full capacity, right, power and authority to execute, deliver and perform this
15 Agreement and all documents to be executed by the Authority pursuant hereto, and all required
16 action and approvals will have been duly taken and obtained for the Closing. The individuals
17 signing this Agreement and all other documents executed or to be executed pursuant hereto on
18 behalf of the Authority shall be duly authorized to sign the same on the Authority's behalf and to
19 bind the Authority thereto. This Agreement and all documents to be executed pursuant hereto by
20 the Authority are and shall be binding upon and enforceable against the Authority in accordance
21 with their respective terms.

22
23 **ARTICLE 16**
24 **TITLE AND NAVY COVENANTS**
25

26 16.1 From the Effective Date to the Closing, the Navy shall not do, permit, or agree to
27 sell, encumber or grant any interest in the Navy Property or any part thereof in any form or
28 manner whatsoever or otherwise perform or permit any act which will diminish or otherwise
29 affect the Authority's interest under this Agreement or in or to the Navy Property or which will
30 prevent the Navy's full performance of its obligations hereunder, without the prior written
31 consent of the Authority except environmental restrictions or land use covenants consistent with
32 Section 3.4.2 as may be designated in the CERCLA Record of Decision, an approved Corrective
33 Action Plan or the FOST.

34
35 16.2 The Navy shall not remove or alter any Navy Personal Property or Utility
36 Infrastructure that is intended to be transferred by this Agreement to the Authority, without the
37 prior written consent of the Authority, except when such removals or alterations are in
38 association with the Navy's continuing obligations under CERCLA, 42 U.S.C. § 9601, et seq.

ARTICLE 17
ENVIRONMENTAL PROVISIONS

17.1 Navy Obligations Under 42 U.S.C. § 9620(h) of CERCLA. The Navy Real Property shall be conveyed subject to the Navy's obligations with regard to Hazardous Substances as set forth in CERCLA at 42 U.S.C. § 9620(h)(3).

17.2 CERCLA Access. The Quitclaim Deeds shall include a clause granting the United States access rights to the Navy Real Property pursuant to Section 120(h)(3)(A)(iii) of CERCLA at 42 U.S.C. § 9620(h)(3)(A)(iii) in any case in which remedial action or corrective action is found to be necessary after the date of ~~Transfer~~transfer.

17.3 Lead-Based Paint. The Quitclaim Deeds shall incorporate the Lead-Based Paint (hereinafter referred to as "LBP") Disclosure and restrictions required by 40 CFR § 745.113, if applicable, and other applicable authority. The Parties agree that the Authority, or its successors or assigns, will seek approval of a procedure through the State of California whereby once the LBP is removed from the Navy Real Property in compliance with Federal and State standards, the LBP Disclosure and restrictions can be removed from the Quitclaim Deeds in accordance with the approved procedure. The Navy agrees to cooperate with such procedure upon approval by the State of California, and, if applicable, sign all amended Quitclaim Deeds as necessary.

17.4 Asbestos. The Quitclaim Deeds shall include any notifications or restrictions concerning asbestos or asbestos-containing materials ("ACM") that have been found on the Navy Real Property, as described in the ~~freport name/~~ dated the ____ day of ____, 20XX, Final 2009 Asbestos Reevaluation Report for Treasure Island and Yerba Buena Island dated February 2011, if applicable. The Parties agree that the Authority, or its successors or assigns, will seek approval of a procedure through the State of California, whereby once the ACM is removed from the Navy Real Property in compliance with Federal and State standards, the ACM notification and any other ACM reference can be removed from the Quitclaim Deeds in accordance with the approved procedure. The Navy agrees to cooperate with such procedure upon approval by the State of California, and, upon removal, if applicable, sign all amended Quitclaim Deeds as necessary.

17.5 Radiological Contamination. If additional screening, investigation or remediation related to radiological contamination (other than employee health and safety plan screening to be conducted by a contractor prior to or during construction) is required by applicable law or regulation for any portion of the real property previously conveyed by the Navy to the Authority, the Navy will undertake such additional screening, investigation, and/or remediation pursuant to such applicable laws and regulations. If any portion of Navy owned property not yet conveyed to the Authority is identified as impacted by radiological contamination, and as a consequence the Navy fails to convey such portion of the Navy Real Property by the applicable date set forth in the Conveyance Schedule ("Delayed Parcel"), within ten (10) days of a written request from the Authority, the Navy shall deliver to the Authority information describing (i) the current status

of the remediation of the Delayed Parcel, (ii) the estimated cost to complete the remediation of the Delayed Parcel, and (iii) the estimated date when the Delayed Parcel can be conveyed to the Authority in the condition required by this Agreement. Nothing in this Agreement transfers responsibility for the screening, investigation, management, or remediation of any potential radiological contamination caused by the Navy or its agents to the Authority, or any third party claims relating thereto, and the Navy retains such responsibility in accordance with applicable laws and regulations. If requested by the Authority, the Parties shall meet and explore the potential for utilizing an agreement pursuant to 10 U.S.C. 2701(d) under which the Navy shall have the option, but not the obligation, of allowing the amount of the Initial or Additional Consideration then remaining payable to the Navy to fund the performance of environmental remediation on the Delayed Parcel in accordance with the scope and cost agreed to by the Parties in the agreement in lieu of direct payment of such consideration to the Navy.

ARTICLE 18 PETROLEUM CORRECTIVE ACTION

18.1 The Navy represents that as of the Effective Date, it has satisfied all requirements, obligations and objectives included in the FFSRA and the current Petroleum Corrective Action Plan as they relate to petroleum products, underground and above ground storage tanks and related piping, petroleum derivatives, fractions and daughter products (collectively, "Petroleum Products"), except for YF-3, ~~Site 253~~ and Site 6, which shall be governed by ~~Section~~Sections 18.2 and 18.3 hereof.

18.2 The Navy shall satisfy all requirements, obligations and objectives included in the FFSRA and the current Petroleum Corrective Action Plan as they relate to Petroleum Products related to ~~YF-3, Site 25 and~~ Site 6 prior to Closing for ~~those parcels~~that parcel.

18.3 YF-3 may be conveyed prior to the completion of the petroleum corrective action identified in the FFSRA and the current Petroleum Corrective Action Plan; provided, however, that the Navy will continue to be the responsible party to complete the corrective action and obtain regulatory closure for YF-3.

ARTICLE 19 COVENANT AGAINST CONTINGENT FEES

19.1 The Authority warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the Authority for the purpose of securing the successful purchase of the Navy Property by the Authority. "Bona fide established commercial agencies" has been construed to include licensed real estate brokers engaged in the business generally. For

breach or violation of the warranty, Navy has the right to annul this Agreement without liability or in its discretion to require the Authority to pay, in addition to the consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 20 NOTICES

20.1 Notices shall be deemed sufficient under this Agreement if made in writing and delivered personally (including by messenger) or sent by United States registered or certified mail, return receipt requested, postage prepaid, or by courier, postage prepaid and addressed to the Parties at their respective addresses set forth below (or to any new or substitute address hereinafter specified, in a writing theretofore delivered in accordance with the notice procedure set forth herein by the intended recipient of such notice), and the same shall be effective upon receipt, if delivered personally or by messenger, or two (2) business days after deposit in the mail if mailed:

If to the Authority: Treasure Island Development Authority
~~City and County of San Francisco~~ One Avenue of the
Palms, Suite 241

41094130

City Hall, Room 448 Treasure Island
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-

Attn: Rich Hillis Treasure Island Project Director
Telephone: (415) 554-4082 274-0662
Facsimile: (415) 274-0299
Email: Rich.Hillis2bob.beck@sfgov.org

With a copy to: Office of the City Attorney
City and County of San Francisco
City Hall, Room 448 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Eileen Malley, Deputy City Attorney Real Estate

Team Leader

Telephone: (415) 554-6781 4735
Facsimile: (415) 554-4755
Email: eileen.malley charles.sullivan@sfgov.org

With a copy to: George R. Schlossberg, Esq.
Kutak Rock LLP
1101 Connecticut Avenue, N.W.
Suite 1000
Washington, DC 20036
Telephone: (202) 828-2418
Facsimile: (202) 828-2488

Email: george.schlossberg@kutakrock.com

If to the Navy:

NAVFAC HO Base Realignment and Closure
Program Management Office West
1455 Frazee Road
Suite 900
San Diego, California 92108-4310
Attn: Director
Telephone: (619) 532-0992
Facsimile: (619) 532-0983
~~Email:~~

With a copy to:

NAVFAC HO Base Realignment and Closure
Office of Counsel
1455 Frazee Road
Suite 900
San Diego, California 92108-4310
~~Attn:~~
~~Telephone:~~
~~Facsimile:~~
~~Email:~~

20.2 Either Party may direct in writing that any notices be sent to additional parties. The provision of notice to additional parties shall not make such additional parties third party beneficiaries of this Agreement.

ARTICLE 21 PRIOR LIABILITIES

21.1 To the extent provided by law, the Navy shall remain responsible for all liabilities, claims, demands, judgments, suits, litigation, amounts payable (collectively, "Pre-Closing Obligations") against the Navy attributable to the Navy's construction, installation, placement, operation, maintenance, misuse, abandonment or failure to maintain the buildings and equipment and land during the period prior to the conveyance of the Navy Real Property to the Authority pursuant to this Agreement, and with regard to a separate lease, contract for caretaker services, or other agreement, the Navy's responsibility and the Authority's responsibility for Pre-Closing Obligations will be as set forth in those documents. Except as otherwise provided in the Quitclaim Deeds, the Authority shall notify the Navy of the existence or occurrence of any such Pre-Closing Obligations of which it has knowledge sufficiently in advance of the scheduled Closing date to allow disposition thereof, if necessary, and shall cooperate with the Navy in the disposition thereof prior to the scheduled Closing date.

1
2
3
4
5
6
7
8
9
10
11
12
13

ARTICLE 22
AUTHORITY'S AVAILABILITY OF FUNDS

22.1 Except for the Authority's recoupment obligations as set forth in Section 5.13.3 and the Authority's obligation to provide security for the payment of the Initial Consideration as set forth in Section 4.2.64.2.11 of this Agreement, there shall be no obligation for the payment or expenditure of money by the Authority under this Agreement unless there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation for the expenditure.

22.2 The Navy understands and agrees that this Agreement does not create a debt of the City and County of San Francisco, and the City's General Fund shall not have liability for the Authority's obligations under this Agreement.

14
15
16
17
18
19

ARTICLE 23
FINALITY OF CONVEYANCE

20
21
22
23

23.1 Possession. Upon each Closing, the Navy shall immediately deliver to the Authority possession of the Navy Real Property conveyed at the Closing.

24
25
26
27

23.2 No Right of Rescission. There shall be no right of rescission in the Navy as to the Navy Real Property, or any portion thereof, once conveyed to the Authority. The foregoing shall not be interpreted to limit any future exercise of the power of eminent domain by the Navy.

28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

ARTICLE 24
LIABILITY FOR ENVIRONMENTAL CONTAMINATION

24.1 Notwithstanding any other provision of this Agreement, and except as set forth specifically in any Quitclaim Deeds, leases, licenses, and the Caretaker Agreement, or other agreement between the Authority and the Government, the Authority does not hereby assume any liability or responsibility for environmental impacts and damage caused by the use of Hazardous Substances and petroleum products by the United States, its contractors, agents or assignees, on any Parcel or adjacent to it prior to the date of conveyance. The Authority has no obligation under this Agreement to undertake the defense of any claim or action, whether in existence now or brought in the future, or to conduct any cleanup or remediation action arising out of the use or release of any Hazardous Substances or petroleum products, on or from any part of the Property to the extent such claim or action arises out of activity by: (i) the United States on the Property or adjacent to it, or (ii) during the United States' ownership of the Property except as provided under leases, licenses, and the Caretaker Agreement entered into between the Authority and the Navy prior to the Effective Date; nor does the Authority hereby waive or release any rights it may have under applicable law against the Government with respect to such claims, actions, cleanup or remedial action.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

ARTICLE 25
SHORT FORM NOTICE

25.1 Upon execution of this Agreement, the Authority and Navy shall execute the Short Form Notice of Conveyance attached hereto as Exhibit M. The Short Form Notice of Conveyance shall be recorded in the Official Records of the City of San Francisco ~~immediately~~promptly following the execution of this Agreement. The Short Form Notice of Conveyance shall include the following language: From the Effective Date of this Agreement through the Initial Closing and any subsequent Closings, the Navy shall not permit, agree to sell, encumber or grant any interest in the Navy Real Property or any part thereof in any form or manner whatsoever, or otherwise perform or permit any act that will diminish or otherwise affect the Authority's interest under this Agreement or to the Navy Real Property, or which will prevent the Navy's full performance of its obligations hereunder, without the written consent of the Authority, except environmental restrictions or land use covenants consistent with the Agreement as may be designated in the CERCLA Record of Decision, an approved Corrective Action Plan or the FOST.

18
19
20
21
22

ARTICLE 26
FURTHER ASSURANCES

26.1 The Parties acknowledge that it is their mutual intent to effectuate an orderly, amicable, and expeditious transfer of the Navy Real Property from Navy to the Authority and that, toward that end, (i) any or all ambiguities herein shall, to the extent practicable, be construed in the way most liberally conducive to the aforesaid conveyance, (ii) neither Party shall be considered the drafter of this Agreement or any of its provisions for the purposes of any statute, case law, or rule of interpretation or construction, that would or might cause any provision to be construed against the drafter of the Agreement, and (iii) the Parties agree to execute, deliver and perform under the terms of such other documents as their respective legal counsel may deem necessary or appropriate to effect the purposes of this Agreement.

31
32
33
34
35
36
37
38
39
40
41
42

ARTICLE 27
DISPUTE RESOLUTION PROCEDURES

27.1 Resolution of Certain Disputes. Any other provision of this Agreement notwithstanding, (i) disputes identified in Section 27.3.2 shall be resolved by non-binding arbitration in accordance with the expedited dispute resolution procedure set forth in Section 27.3.2, and (ii) such other disputes under this Agreement shall be resolved either by non-binding arbitration in accordance with the non-binding arbitration procedures set forth in Section 27.3.3 if the Parties mutually agree, or barring such mutual agreement as to a particular other dispute, in accordance with this Agreement and all applicable laws.

27.2 Good Faith Meet and Confer Requirement.

27.2.1 With respect to any dispute regarding a matter identified in Section 27.3.2, the Parties shall make a good faith effort to resolve the dispute prior to non-binding arbitration. Within five (5) business days after a request to confer regarding an identified matter, representatives of the Parties who are vested with decision-making authority shall meet to resolve the dispute. If the Parties are unable to resolve the dispute at the meeting, the matter shall immediately be submitted to the expedited dispute resolution process set forth in Section 27.3.2.

27.2.2 With respect to any other dispute arising hereunder, the Parties shall make a good faith effort to resolve the dispute in the most expeditious manner possible. Within five (5) business days after receipt of the notice of dispute, representatives of the affected Parties shall meet to resolve the dispute. If the Parties are unable to resolve the dispute in good faith within ten (10) business days after receipt of the notice of dispute, the Parties shall either agree within ten (10) business days after receipt of the notice of dispute to proceed with the non-binding arbitration procedures set forth in Section 27.3.3, or barring such agreement, either Party may proceed unilaterally as permitted by this Agreement or by law.

27.3 Dispute Resolution Procedures.

27.3.1 Arbiters. The non-binding arbitrator ("Arbiter") will be selected by mutual agreement of the parties to be determined no later than thirty (30) days prior to the Initial Closing from a list of at least six (6) and up to ten (10) pre-approved Arbiters from the list attached hereto as Exhibit GG (the "Pre-Approved Arbiters List"). The Arbiter will hear all disputes under this Agreement unless the Arbiter is not available to meet the time schedule set forth herein, in which case the Parties may agree to direct the dispute to another Arbiter on the Pre-Approved Arbiters List. If none of the Arbiters listed is able or willing to serve, the parties shall mutually agree on the selection of an Arbiter to serve for the purposes of this dispute. The Arbiter appointed must meet the Arbiters' Qualifications. The "Arbiters' Qualifications" shall be defined as at least ten (10) years experience in a real property professional capacity, such as a real estate appraiser, broker, real estate economist, or attorney, in the Bay Area. The Parties shall review the Pre-Approved Arbiters List on an annual basis, determine the continued availability and willingness to serve of each Arbiter, and may at that time or from time to time, seek to add or subtract arbiters from the Pre-Approved Arbiter List, by notice in writing to the other Party. Any such notice will be accompanied by supporting documentation of the new proposed Arbiter's qualifications or with the reasons for seeking to remove an Arbiter from the Pre-Approved Arbiters List, as applicable. The other Party shall have fifteen (15) business days to respond in writing to such request, and failure to respond shall be deemed consent. If the other Party objects, the Parties shall confer pursuant to Section 27.2.2 and thereafter such disputes (if still unresolved after conferring) shall be referred to arbitration pursuant to Section 27.3.2. Notwithstanding the foregoing, if based upon the annual review or at any time during the Term, the Parties become aware that an Arbiter has become unavailable to serve in any prospective Arbitration or has

expressed an unwillingness to continue to serve, the Parties shall replace that Arbiter with a new Arbiter mutually agreed-upon by the Parties.

27.3.2 Expedited Dispute Resolution Procedure. The Parties hereby agree that the following disputes shall be subject to this expedited dispute resolution procedure: (i) Major Phase Decisions (pursuant to Section 5.6 hereof); (ii) proposed amendments to appraisal instructions (pursuant to Section 5.4 hereof); (iii) proposed additions or subtractions to the Qualified Appraiser Pool (pursuant to Section 5.4.1 hereof); (iv) proposed additions or subtractions to the Pre-Approved Arbiters List (pursuant to Section 27.3.1); (v) disputes related to Redesign Work Program and Costs (pursuant to Section ~~4.2.44.2.9~~); ~~or~~ (vi) ~~valuation of the Pre-Closing Parcel pursuant to Section 4.3.5.1~~; ~~or~~ (vii) any matter the Authority in its reasonable discretion believes has the potential to materially delay the Project.

27.3.2.1 The Party(ies) disputing any matter subject to this expedited dispute resolution procedure shall, within five (5) business days after submittal of the dispute to non-binding arbitration, submit a brief with all supporting evidence to the Arbiter with copies to all Parties. Evidence may include, but is not limited to, expert or consultant opinions, any form of graphic evidence, including photos, maps or graphs and any other evidence the Parties may choose to submit in their discretion to assist the Arbiter in resolving the dispute. In either case, any interested Party may submit an additional brief within three (3) business days after distribution of the initial brief. The Arbiter thereafter shall hold a telephonic hearing and issue a decision in the matter promptly, but in any event within ten (10) business days after the initiation of the non-binding arbitration, unless the Arbiter determines that further briefing is necessary, in which case the additional brief(s) addressing only those items or issues identified by the Arbiter shall be submitted to the Arbiter (with copies to all Parties) within five (5) business days after the Arbiter's request, and thereafter the Arbiter shall hold a telephonic hearing and issue a decision promptly but in any event within two (2) business days after submission of such additional briefs, and no later than seventeen (17) business days after the initiation of the non-binding arbitration. Each Party will give due consideration to the Arbiter's decision prior to pursuing further legal action, which decision to pursue further legal action shall be made in each Party's sole and absolute discretion.

1 27.3.3 Non-Binding Arbitration Process for Other Disputes.

2
3 27.3.3.1 Election to Participate in Non-Binding Arbitration.

4 If the dispute is arising under this Agreement and is not otherwise subject to Section
5 27.3.2, and the Parties so agree in accordance with Section 27.2.2, the Parties shall
6 submit the dispute to non-binding arbitration by notifying the Arbiter (selected as
7 described in Section 27.3.1) of the dispute within ten (10) business days after
8 expiration of the good faith meet and confer provisions of Section 27.2. Thereafter,
9 within ten (10) business days, each Party to the dispute shall submit to the Arbiter and
10 serve on the other Party to the non-binding arbitration a short statement of the dispute
11 and a proposed discovery and hearing schedule.

12
13 27.3.3.2 Preliminary Hearing. Within twenty (20) business

14 days after notice of the election to participate in non-binding arbitration, the Arbiter
15 shall conduct, either telephonically or in-person, a preliminary hearing. At the
16 preliminary hearing the Arbiter shall decide discovery and briefing issues and set
17 dates, including a hearing date. In resolving discovery issues, the Arbiter shall
18 consider expediency, cost effectiveness, fairness, and the needs of the Parties for
19 adequate information with respect to the dispute.

20
21 27.3.3.3 Retention of Consultants. The Parties by mutual

22 agreement may retain consultants to assist the Arbiter in the course of Arbitration, if
23 requested by the Arbiter. In his or her request, the Arbiter shall provide to all Parties
24 to the dispute an explanation for the need for the consultant, the consultant's identity,
25 hourly rate, and the estimated costs of the service. All Parties to the dispute must
26 approve the retention of the consultant and, if retention of the consultant is approved,
27 Authority, or Developer on behalf of Authority, shall contract with, if necessary, and
28 pay the costs of the consultant, subject to the provisions regarding fees and costs set
29 forth in Section 27.3.5 below. The consultant's cost shall not exceed \$10,000 without
30 the prior written consent of the Parties to the dispute. All consultant costs paid by
31 Authority that are not credited against Initial or Additional Consideration in
32 accordance with Section 27.3.5 below shall be included as Development Costs in
33 calculating the Additional Consideration.

34
35 27.3.3.4 Commencement of Non-Binding Arbitration. The

36 non-binding arbitration hearing shall commence no later than sixty (60) days after the
37 initial preliminary hearing, unless the Parties to the dispute mutually agree to extend
38 the date or the Arbiter extends the date.

39
40 27.3.3.5 Additional Procedural Requirements. The

41 procedural rules of the non-binding arbitration under Section 27.3.3 shall be
42 supplemented by any non-conflicting non-binding arbitration procedures of other

alternative dispute resolution providers as may be mutually agreed upon by the Parties from time to time, applicable to commercial non-binding arbitration, and may be modified by agreement of the Parties.

27.3.3.6 Decision of Arbiter. The Arbiter shall make a written non-binding advisory decision, specifying the reasons for the decision, within twenty (20) calendar days after the hearing. Each Party will give due consideration to the Arbiter's decision prior to pursuing further legal action, which decision to pursue further legal action shall be made in each Party's sole and absolute discretion.

27.3.3.7 Time Period to Complete Non-binding Binding Arbitration. The non-binding arbitration shall be completed within eighty (80) calendar days of the preliminary hearing, unless the parties to the dispute mutually agree to extend the date or the Arbiter extends the date.

27.3.4 Additional Provisions Governing Non-binding Arbitration of Disputes.

27.3.4.1 Disputes Involving Arbitrability of Disputes. The Arbiter shall decide any dispute involving either the right to have a disputed matter submitted to non-binding arbitration or whether the matter is properly the subject of the expedited dispute resolution procedure pursuant to Section 27.3.2. The Parties to such dispute shall provide notice of the dispute and submit in writing their respective positions regarding the dispute to the Arbiter. No such submission shall exceed ten double spaced pages. The Arbiter shall make his or her decision within five (5) days of the last submission.

27.3.4.2 No Res Judicata or Collateral Estoppel Effect. Any determination or finding of any non-binding arbitration conducted pursuant to this Article shall not have any res judicata or collateral estoppel effect in any other non-binding arbitration conducted pursuant to this Article, or in any other action commenced by any person(s) or entity(ies) whomsoever in state or federal court, whether or not Parties to this Agreement.

27.3.4.3 No Ex Parte Communications. No Party or anyone acting on its behalf shall have any ex parte communication with the Arbiter with regard to any matters in issue. Communications concerning procedural matters such as scheduling shall not be included in this prohibition.

1 27.3.4.4 Submission. Unless otherwise directed by the
2 Arbitrator or agreed by the Parties to a given dispute, the Parties involved in the dispute
3 shall strive to make joint submissions to the Arbitrator. The Arbitrator shall determine the
4 schedule for the Parties' submissions, the page and form limitations for the
5 submissions, and the schedule and form of any hearing(s).

6
7 27.3.4.5 Governing Law. The Arbitrator shall apply Federal
8 laws and the laws of the State of California, provided that in the event of a conflict
9 between Federal law and the laws of the State of California, the Federal law shall
10 govern.

11
12 27.3.5 Fees and Costs. Initially, Authority, or Developer on behalf of Authority,
13 shall contract directly with the selected Arbitrator and shall be responsible for payment of the fees
14 and costs of the Arbitrator. The Authority shall have the right to credit against the next payment of
15 Initial Consideration (or if no payment of Initial Consideration ~~remain~~remains due, then at the
16 next payment of Additional Consideration), fifty percent (50%) of the full amount of the Arbitrator's
17 fees and costs, including the Arbitrator's consultant costs. Costs of the Arbitration incurred by the
18 Authority and not credited against Initial or Additional Consideration shall be included as Project
19 costs in calculating the Additional Consideration.

20
21 27.3.6 No Cessation of Work Pending Resolution of a Dispute. Pending the
22 decision of the Arbitrator of any dispute submitted to the Dispute Resolution Procedure hereunder,
23 the Parties agree that time is of the essence under this Agreement and the DDA and the Project
24 shall not cease or be delayed, unless Authority in its reasonable discretion elects not to proceed
25 until such dispute is resolved. If Authority elects not to proceed with any aspect of the Project
26 during the pendency of a dispute, Authority shall notify the Navy of such election promptly in
27 writing. If Authority proceeds pending a decision of the Arbitrator, then, if the parties mutually elect
28 to accept the decision of the Arbitrator, the Parties shall prepare a written reconciliation of the
29 amounts paid by the Parties that should have been paid in accordance with the decision of the
30 Arbitrator, and the Parties shall then make any necessary adjustments between them based on the
31 reconciliation.

32
33 27.4 Institution of Legal Actions. Either Party may institute legal action to cure,
34 correct or remedy any default, to seek resolution of any dispute under this Agreement or to
35 obtain any other remedy consistent with the terms of this Agreement.

36
37 **ARTICLE 28**
38 **SURVIVAL AND BENEFIT**
39

40 28.1 Continuing rights, interests, and obligations of the Parties pursuant to this
41 Agreement shall survive Closing as provided in this Agreement and the same shall inure to the

benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement otherwise shall be construed as creating any rights of enforcement by any person or entity that is not a party hereto, nor any rights, interest, or third party beneficiary status for any entity or person other than the Parties hereto. The Authority may assign its rights, interests, and obligations under this Agreement to the City of San Francisco if the City of San Francisco replaces the Authority as the designated and federally approved Local Redevelopment Authority under the Defense Base Closure and Realignment Act of 1990, as amended.

ARTICLE 29 INTERPRETATION

29.1 The headings and captions herein are inserted for convenient reference only and the same shall not limit or construe the paragraphs or sections to which they apply or otherwise affect the interpretation hereof.

29.2 The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Agreement.

29.3 Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders, and words importing the singular number shall mean and include the plural number and vice versa.

29.4 Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

29.5 The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without being limited to."

29.6 This Agreement shall be governed by and construed in accordance with Federal law and the laws of the State of California, provided, that in the event of a conflict between Federal law and the laws of the State of California, the Federal law shall govern.

29.7 Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or holiday observed by the performing party, such time for performance shall be extended to the next business day. Otherwise all references herein to "days" shall mean calendar days.

1 29.8 If any term or provision of this Agreement or the application thereof to any person
2 or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this
3 Agreement, or the application of such term or provision to persons or circumstances other than
4 those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such
5 term and provision of this Agreement shall be valid and be enforced to the fullest extent
6 permitted by law.

7
8 29.9 Each and all of the recitals set forth at the beginning of this instrument, and any
9 exhibits referenced herein and attached hereto, are incorporated herein by this reference.

10
11 **ARTICLE 30**
12 **NON-DISCRIMINATION**

13
14 30.1 The Authority covenants for itself, its successors and assigns and every successor
15 in interest to the Property hereby conveyed, or any part thereof, that the Authority and such
16 successors and assigns shall not discriminate upon the basis of race, color, sex, religion, or
17 national origin in the use, occupancy, sale or lease of the Navy Real Property, or in their
18 employment practices conducted thereon. This covenant shall not apply, however, to the lease or
19 rental of a room or rooms within a family dwelling unit; nor shall it apply with respect to
20 premises used primarily for religious purposes. The United States of America shall be deemed a
21 beneficiary of this covenant without regard to whether it remains the owner of any land or
22 interest therein in the locality of the Navy Real Property hereby conveyed and shall have the sole
23 right to enforce this covenant in any court of competent jurisdiction.

24
25 **ARTICLE 31**
26 **AVAILABILITY OF FUNDS**

27
28 31.1 The Navy's obligations under this Agreement are subject to the availability of
29 funds appropriated for such purpose. Nothing in this Agreement shall be construed as or
30 constitute a commitment or requirement that the Navy obligate or pay funds in contravention of
31 the Anti-Deficiency Act, 31 U.S.C. Section 1341, or that Congress, at a later time, will
32 appropriate funds sufficient to meet deficiencies.

1
2
3
4
5
6
7
8
9
10

ARTICLE 32
MODIFICATION; WAIVERS

32.1 This Agreement, together with all Exhibits hereto, contains the entire agreement and understanding of the parties in respect to the purchase and sale of the Navy Real Property, and may not be amended, modified or discharged nor may any of its terms be waived except by an instrument in writing signed by the Parties. A waiver by a Party of a specific provision shall not be deemed a waiver of any subsequent provision. The Parties hereto shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained herein.

11
12
13
14
15

ARTICLE 33
REMEDIES FOR NONPERFORMANCE

33.1 In the event a Party hereto fails to observe or perform any of its obligations under this Agreement or otherwise breaches this Agreement, after having been provided written notice and failing to cure the default within thirty (30) days after such notice, the other Party will be entitled to exercise any and all of the remedies for breach which are provided herein, as well as any other remedies to which the Party is entitled at law or in equity. Notwithstanding the foregoing, the Authority shall not be liable for monetary damages if it does not accept conveyance of the Navy Real Property in a timely manner. Notwithstanding the foregoing, the sole and exclusive remedies for failure to satisfy a Closing Condition as described in Section 3.7, shall be as set out in Section ~~3-8-1~~3.8.1, 3.8.2, and ~~3-8-23~~3.8.4. Notwithstanding the foregoing, the sole remedy for failure by the Navy to meet a Site 12 Performance Benchmark shall be set out in Sections ~~4-2-2-2~~ and ~~4-2-34~~2.4 through ~~4-2-5~~4.2.10, above.

26
27
28
29

ARTICLE 34
FAILURE TO INSIST ON COMPLIANCE

34.1 The failure of either Party to insist, in any one or more instances, upon strict performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment of such Party's right to future performance of this Agreement, but the obligations of the other Party with respect to such future performance shall continue in full force and effect. Whenever the terms of this Agreement call for one Party to approve an action or make a determination before the other Party may undertake or perform such action, said approval or determination shall not be unreasonably denied or delayed.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

ARTICLE 35
RISK OF LOSS

35.1 From the ~~effective date~~ Effective Date of this Agreement, the Party then owning a Parcel shall bear all risks of loss and damage due to casualty that may be suffered by the Parcel(s) provided, however, that the Navy shall not be liable for any loss, damage or repair to utilities, roads or structures due to acts of God, enemy action, civil commotion, fire, flood, earthquake or other casualty. Notwithstanding any such loss or damage, each and all of the provisions of this Agreement shall remain unimpaired and in full force and effect.

10
11
12
13
14
15
16
17
18
19

ARTICLE 36
COUNTERPARTS

36.1 This Agreement may be executed in multiple counterparts and/or with the signatures of the Parties set forth on different signature sheets and all such counterparts, when taken together, shall be deemed one original.

[SIGNATURE PAGE FOLLOWS]

1 IN WITNESS WHEREOF, the Parties, intending to be legally bound hereby, have
2 caused their duly appointed representatives to execute this Agreement as of the Effective Date
3 set forth above.
4

5
6 WITNESS/ATTEST:

THE UNITED STATES OF AMERICA

7
8
9
10
11 By: _____
12 Name:
13 Title:

By: _____
Real Estate Contracting Officer

14
15
16
17
18
19 WITNESS/ATTEST: _____

~~THE~~ TREASURE ISLAND
DEVELOPMENT AUTHORITY, a
California non-profit public benefit
corporation

20
21
22
23
24
25
26
27
28 By: _____
29

30 Name: _____
31 Title: _____
32 _____
33 _____
34

35
36
37 Approved as to form:
38 DENNIS J. HERRERA,
39 City Attorney

40 By: _____
41 Name: _____
42 Deputy City Attorney

43
44 Authorized by Authority
45 Resolution No. 11-19-04/21
46 Adopted April 21, 2011

1
2
3
4

Authorized by Board of Supervisors
Resolution No. 242-11
Adopted June 7, 2011

EXHIBITS

1 EXHIBIT A

2 DEFINITIONS

3
4
5 "Accounting" has the meaning set forth in Section 4.3.6.1.

6
7 "ACM" has the meaning set forth in Section 17.4.

8
9 "Additional Consideration" has the meaning set forth in Section 4.3.1.

10
11 "Agreement" has the meaning set forth in the Preamble.

12
13 "Anniversary Date" means the first anniversary of the Initial Closing and each
14 anniversary of such date thereafter; provided, however, that if any Anniversary Date falls on
15 other than a business day, then the Anniversary Date for that year shall be the first business day
16 after the Anniversary Date.

17
18 "Annual" means a calendar year beginning on the Initial Closing date and commencing
19 on each successive Anniversary Date and continuing until the Termination Date hereof.

20
21 "Appraisal Process" has the meaning set forth in Section 5.4.

22
23 "Arbiter" has the meaning set forth in Section 27.3.1.

24
25 "Arbiters' Qualifications" has the meaning set forth in Section 27.3.1.1.

26
27 "Assignable Easements, Contracts and Permits" has the meaning set forth in Section
28 ~~7.1.3~~ 7.3.3.

29
30 "Assignment of Rents" has the meaning set forth in Section 4.2.6.

31 ~~"Assumed Contracts" means the contracts, licenses and permits listed in Section 6.1.~~

32
33 "Auction" means any arm's length transaction designed to maximize revenues from the
34 sale of parcels to qualified bidders. Auction formats may include any industry standard
35 marketing approach or typical auction formats as outcry, sealed bid, sealed bid convertible or
36 online and may be left to the discretion of the auction broker to determine the most appropriate
37 format given current market conditions. In no case shall an absolute auction, in which a parcel is
38 sold to the highest bidder regardless of price, or a reserve auction, in which the seller reserves the
39 right to accept or reject the highest bid, be utilized unless agreed upon in advance by all Parties.
40 The Auction shall be managed by a qualified third party real estate broker unrelated to the
41 Developer or Authority, in a manner consistent with industry practice for a non-distressed

1 offering of quality real estate that provides at a minimum: (i) commercially standard due
2 diligence information and access, including, without limitation, information regarding the site
3 and entitlements; (ii) iterative rounds of bidding by qualified bidders; and (iii) commercially
4 standard closing conditions and processes.

5
6 **"Authority"** means the Treasure Island Development Authority and its successors and
7 assigns.

8
9 **"Authority Access Easements"** has the meaning set forth in Section ~~7.1.1.1~~ 7.3.1.1.

10
11 **"Authority Closing Documents"** has the meaning set forth in Section 8.3.

12
13 **"Authority Costs Payment"** means the Authority's costs paid by Developer in
14 accordance with the terms of the DDA. Because the Authority will use Marina Revenues to fund
15 the Authority's costs, Developer's obligation under the DDA to pay for the Authority's costs will
16 be reduced by Marina Revenues as more particularly described in the DDA.

17
18 **"Authority Option"** has the meaning set forth in Section 3.8.7.

19
20 **"Building 233 Performance Benchmark"** has the meaning set forth in Section 4.2.3.

21
22 **"Building 3 Performance Benchmark"** has the meaning set forth in Section 4.2.3.

23
24 **"Caretaker Agreement"** has the meaning set forth in the eighth Recital and is set forth
25 in Exhibit LL.

26
27 **"CDPH"** means the California Department of Public Health.

28
29 **"CEQA"** has the meaning set forth in the sixth Recital.

30
31 **"CERCLA"** means the Comprehensive Environmental Response, Compensation and
32 Liability Act, 42 U.S.C. § 9601, et seq.

33
34 **"Certification"** has the meaning set forth in the sixth Recital.

35
36 **"City"** has the meaning set forth in the first Recital.

37
38 **"Closing"** means the transactions by which the Navy Real Property, or a portion thereof,
39 is conveyed by Quitclaim Deed by the Navy to the Authority.

1
2 "Closing Conditions" has the meaning set forth in Section 3.7.

3
4 "Coast Guard" has the meaning set forth in Section 9.3.3.

5
6 "Coast Guard Installation" has the meaning set forth in Section 9.3.3.

7
8 "Commercial Lot" has the meaning set forth in Section 5.2.1.

9
10 ~~"Contract Assumption List" has the meaning set forth in Section 6.1.~~

11
12 "Conveyance Schedule" means the schedule for conveyance of the Navy Real Property
13 to the Authority that is set forth in Exhibit R.

14
15 "Credit Commencement Date" has the meaning set forth in Section ~~4.2.5~~ 4.2.6

16
17 "Critical Commercial Lot" has the meaning set forth in Section 5.2.1.

18
19 "Critical Commercial Lots Payment" has the meaning set forth in Section 5.2.1.

20
21 "DDA" means the Disposition and Development Agreement entered into by and between
22 the Authority and the Developer, dated as of ~~_____~~, 20 June 28, 2011.

23
24 "DDA Land Use Plan" means the Land Use Plan attached to the DDA and hereto as
25 Exhibit Z-2, as described in the second Recital.

26
27 "DDA Reports" means, collectively, the items set forth in Section 5.9, Section 5.13.2,
28 and Section 5.13.3.

29
30 "Default Interest Rate" means an interest rate of three hundred (300) basis points above
31 the Interest Rate.

32
33 "Delayed Parcel" has the meaning set forth in Section 17.5.

34
35 "Developed Critical Commercial Lot" has the meaning set forth in Section 5.2.2.

36
37 "Developer" means Treasure Island Community Development, LLC and its successors
38 and assigns, or other such entity that is the master developer, and expressly excludes the Marina
39 Developer.

1
2 **"Development Agreement"** means the Development Agreement entered into by and
3 between the Authority and the City, dated as of 20 , June 28,
4 2011.

5
6 **"Development Costs"** means all Hard Costs, Soft Costs, and Pre-Development Costs,
7 except to the extent specifically excluded under this Agreement and specifically excluding any
8 costs, fees or charges related to debt financing that are not also Permissible Financing Costs.

9
10 **"Developer Lots"** has the meaning set forth in Section 5.3.

11
12 **"DTSC"** means the California Department of Toxic Substances Control.

13
14 **"Easement Area"** has the meaning set forth in Section 9.5.

15
16 **"Easements"** means the interests in real property as set forth in Article ~~7.7~~ and in Section
17 9.5.

18
19 **"EBSs"** has the meaning set forth in the third Recital.

20
21 **"EDC"** has the meaning set forth in the second Recital.

22
23 **"EDC Application"** has the meaning set forth in the second Recital.

24
25 **"EDC Application Property"** has the meaning set forth in the second Recital.

26
27 **"Effective Date"** has the meaning set forth in the Preamble.

28
29 **"EIR"** has the meaning set forth in the sixth Recital.

30
31 **"EIS"** has the meaning set forth in the fifth Recital.

32
33 **"Entitlements"** means all land use approvals and entitlements, including all conditions
34 of approval and CEQA mitigation measures legally required by the Authority, City or any other

Regulatory Authority as a condition to the subdivision of the Navy Real Property and development of the Navy Real Property in accordance with the DDA.

"Environmental Reports" means the documents included in the CERCLA administrative record for Treasure Island and Environmental Baseline Surveys (EBs), FOSTs, FOSETs, and any ~~Environmental Services Cooperative Agreements~~ agreements pursuant to 10 U.S.C. 2701(d), which documents include Toxic Substances Control Act 15 U.S.C. § 2601 et seq. documents, radiological materials documents, petroleum corrective action program documents, any lead-based paint and asbestos surveys relating to the improvements on the Property and any regulatory order or consent agreement, and any supporting documents specifically referenced therein.

"Excess Land Appreciation Structure" has the meaning set forth in Section 5.6.4.

~~**"Excluded Personal Property"** has the meaning set forth in Section 3.1.3.~~

"Excusable Delay" means a delay in a Party's performance of its obligations hereunder that is caused by (a) acts of God, enemy action, civil commotion, fire, flood, earthquake or other casualty; (b) strikes or other labor disputes (to the extent not resulting from the labor practices of the Party claiming the benefit of the Excusable Delay); (c) material shortages of or inability to obtain labor or materials beyond the reasonable control of the Party claiming the benefit of Excusable Delay (except to the extent caused by the negligent act or omission or willful misconduct of the Party claiming the benefit of Excusable Delay); (d) unanticipated breakage or accident to machinery, equipment or lines of pipe despite reasonably diligent maintenance; (e) materially adverse weather conditions to the extent that such conditions could not be reasonably predicted or anticipated; (f) a delay caused by federally-imposed increased security measures that require upgrades in threat condition or combating terrorism on the Property; (g) Litigation Excusable Delays; and (h) Regulatory Excusable Delays.

"Exempt Transferee" has the meaning set forth in Section 3.8.7.

"FFSRA" means Federal Facilities Site Remediation Agreement dated September 29, 1992, as may be amended, between the Navy and the State of California Department of Toxic Substances Control ("DTSC") and San Francisco Regional Water Quality Control Board ("RWQCB") setting forth the Navy's obligations to investigate and remediate sites at the Navy Real Property subject to the availability of funds and other provisions of the FFSRA. In addition, the FFSRA establishes the terms and conditions for DTSC and RWQCB approved changes to schedules and penalties for failure to meet environmental remediation schedules. ~~The current FFSRA is attached hereto as Exhibit O.~~

1
2 **"Final IRR"** has the meaning set forth in Section 4.3.7.1.

3
4 **"First Tier Participation"** has the meaning set forth in Section 4.3.1.

5
6 **"First Tier Payment"** has the meaning set forth in Section 4.3.2.

7
8 **"FOST"** means a written determination by the Navy that a Parcel may be transferred by
9 a Quitclaim Deed to the Authority in full compliance with 42 U.S.C. § 9620(h)(3)(A) or §
10 9620(h)(4) of CERCLA ~~and described in the third Recital. The FOST for the FOST Parcel is set~~
11 ~~forth in Exhibit J, attached hereto and made a part hereof.~~

12
13 **"FOST Parcel"** has the meaning set forth in the fourth Recital.

14
15 ~~**"FSSR"** has the meaning set forth in Section 3.7.1.2.~~

16
17 **"GAAP"** has the meaning set forth in Section 4.3.6.

18
19 **"Government"** means the United States of America.

20
21 **"Government Real Property"** means the real property owned by the United States of
22 America which includes real property under the jurisdiction, custody or control of the United
23 States Coast Guard, the United States Department of Labor, and the Federal Highway
24 Administration, and specifically excludes the real property, easements, rights of access or other
25 interests under the jurisdiction, custody, or control of the Navy as specified in Section 3.1.1; and
26 (ii) real property owned by the State of California Department of Transportation.

27
28 **"Gross Revenues"** means, for any period, all cash revenues received by the Developer
29 from any source whatsoever, and whether collected through or outside of escrow in connection
30 with all or any part of the Project, in each case for such period, which shall include, the gross
31 proceeds of sale or transfer of the Lots or any portion thereof, rents or other payments paid to
32 Developer as the master landlord under any ground lease or as a property manager under an
33 interim management agreement with the Authority for existing facilities and open space;

proceeds from the first sale of ground leases or refinancing intended to capitalize ground value; any damage recoveries, insurance payments or condemnation proceeds payable to the Developer with respect to the Project to the extent not otherwise used for repair or reconstruction of the Property, all revenues derived from agreements to which the Developer is a party pursuant to which the Developer participates in the proceeds of the operation or sale of any portion of the Property sold to a Vertical Builder, the proceeds of and proceeds from any assessment or special tax districts formed for purposes of providing funds for costs associated with the Project, and amounts paid to Developer from tax increment financing or other public financing, and grants and tax credits to reimburse Developer for infrastructure or other qualifying costs. Gross Revenues shall specifically exclude the proceeds of any capital contributed to the Developer by its partners or members or the proceeds of any loan made to the Developer.

"Guidelines for Residential Auction Lot Selection" has the meaning set forth in Section 5.5.3.

"Hard Costs" means Developer's reasonable out-of-pocket costs actually incurred in connection with the construction of the Horizontal Improvements (which include, without limitation, construction of improvements by Developer on the Critical Commercial Lots to the extent required under the DDA). Hard Costs include, without limitation, necessary permit fees, bond premiums and similar fees and charges required for the construction of the Horizontal Improvements.

"Hazardous Substance" means (A) any substance designated pursuant to section 1321(b)(2)(A) of title 33, (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of title 42, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act [42 U.S.C. 6921] (but not including any waste the regulation of which under the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.] has been suspended by Act of Congress), (D) any toxic pollutant listed under section 1317(a) of title 33, (E) any hazardous air pollutant listed under section 112 of the Clean Air Act [42 U.S.C. 7412], and (F) any imminently hazardous chemical substance or mixture with respect to which the Administrator of the Environmental Protection Agency has taken action pursuant to section 2606 of title 15. The term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

~~**"Historic District"** means that certain real property described in Exhibit B-8, including these buildings commonly known as Quarters 10 and Building 267.~~

"Horizontal Improvements" means demolition, grading, geotechnical improvements, environmental investigation, environmental characterization, regulatory agency coordination and negotiation and environmental remediation for which Developer's costs are not reimbursed through an ~~Environmental Services Cooperative Agreement~~ agreement pursuant to 10 U.S.C. 2701(d) or other Navy funds, infrastructure and utilities, and all other improvements and related

costs required to be performed or installed by Developer pursuant to the terms of the DDA, including but not limited to, the preparation of land for vertical development, public service and community improvements, transportation program improvements and subsidies, stormwater management controls, facilities and equipment, open space and parks improvements and maintenance, rehabilitation of historic buildings, affordable housing program and transition housing improvements.

~~“Illustrative Land Use Plan” means the Illustrative Land Use Plan attached hereto as Exhibit Z and described in the second Recital.~~

“Infrastructure Financing District” means an Infrastructure Financing District formed in accordance with the Infrastructure Financing District Act (California Government Code Section 53395 et seq.), as amended from time to time.

“Initial Closing” means the date on which the first conveyance of all or any of the FOST Parcel by Quitclaim Deed from the Navy to the Authority occurs in accordance with Article 3 hereof.

“Initial Consideration” has the meaning set forth in Section 4.1.

“Initial Consideration Term” has the meaning set forth in Section 4.1.

~~“Initial Closing” means the date on which the first conveyance of the FOST Parcel by Quitclaim Deed from the Navy to the Authority occurs in accordance with Article 3 hereof.~~

“Installment Payment” has the meaning set forth in Section 4.2.1.

“Interest Rate” means an annual interest rate of 5.75 %, which equals the interest rate payable on ten year (10) Treasury Notes in effect as of the month date that this Agreement is entered into plus one hundred fifty basis points (150 bps), which Interest Rate will be locked for the duration of this Agreement.

“IRR” means the internal rate of return, annualized, calculated on the Project’s Net Cash Flow by the Excel 2007 “IRR” function using quarterly Net Cash Flows. The Project’s Net Cash Flow shall be adjusted to show all costs incurred in the quarter paid and all revenues in the quarter received, provided that Pre-Development Costs are applied as of the Initial Closing. An example of the IRR calculation is attached hereto as Exhibit DD.

“IRR Statement” has the meaning set forth in Section 4.3.2.

1
2 "JV Lots" has the meaning set forth in Section 5.3.

3
4 "Key Infrastructure" has the meaning set forth in Section 9.5.

5
6 "Land Use Covenant" means that certain land use covenant(s) entitled "Covenant to
7 Restrict Use of Property; Environmental Restrictions" regarding environmental restrictions,
8 entered into by the Authority and the State of California Department of Toxic Substances
9 Control, that may be executed for a given Parcel.

10
11 "Late Payment" has the meaning set forth in Section 4.3.4.

12
13 "LBP" has the meaning set forth in Section 17.3.

14
15 "LIFO" has the meaning set forth in Section 3.8.1.

16
17 "Litigation Excusable Delay" means any action or proceeding before any court,
18 tribunal, or other judicial, adjudicative or legislative decision-making body, including any
19 administrative appeal, brought by plaintiffs unaffiliated with the Party claiming the benefit of
20 Excusable Delay which both (1) (x) seeks to challenge the validity of any action taken by the
21 Party claiming the benefit of Excusable Delay, including the Party's approval, execution, and
22 delivery of this Agreement and its performance hereunder, or the performance of any action
23 required or permitted to be performed by the Party hereunder, or (y) seeks to challenge the
24 failure of any Regulatory Authority to issue, the conditions of, or the validity of any other permit
25 required to conduct the Party's obligations under this Agreement, and (2) is reasonably likely to
26 prevent the Parties from timely performing its obligations under this Agreement. Performance
27 by a Party hereunder shall be deemed delayed or made impossible by virtue of Litigation
28 Excusable Delay during the pendency thereof, and until a judgment, order, or other decision
29 resolving such matter in favor of the Party whose performance is delayed has become final and
30 unappealable. The Parties shall each proceed with due diligence and shall cooperate with one
31 another to defend the action or proceeding or take other measures to resolve the dispute that is
32 the subject of such action or proceeding.

33
34 "Lots" means a building site to be prepared by Developer and conveyed for
35 consideration to a third party or Developer affiliate pursuant to the terms of the DDA, including,
36 without limitation, the Commercial Lots.

37
38 "Major Phase" means each Major Phase of development identified in the phasing plan
39 attached to the DDA.

1
2 "Major Phase Decision Notice" has the meaning set forth in Section 5.7.1.
3

4 "Major Phase Decisions" has the meaning set forth in Section 5.6.

5
6 "Marina Developer" means Treasure Island Enterprises, LLC, its successors and
7 assigns, or such other entity that is the master tenant and developer of the Treasure Island
8 Marina.
9

10 "Marina Project" means the redevelopment and operation of the Treasure Island Marina
11 in accordance with a Lease Disposition and Development Agreement and a Ground Lease
12 between the Authority and the Marina Developer.
13

14 "Marina Property" means the property described in Exhibit F attached hereto which
15 will be used for the Marina Project.
16

17 "Marina Revenues" means minimum rent, percentage rent and any proceeds from
18 refinancings, sales or subleases for the Marina Project that are actually received by the Authority
19 under the terms of the Marina Ground Lease and/or the Marina Lease Disposition and
20 Development Agreement. Marina Revenues shall not include the amount of any rent credits that
21 the Marina Developer is entitled to receive under the terms of the Marina Ground Lease.
22

23 "Market Rate Lots" has the meaning set forth in Section 5.3.
24

25 "Market Rate Units" has the meaning set forth in Section 5.3.

26
27 "Multiple Conveyances" means a series of Partial Conveyances.
28

29 "Navy" has the meaning set forth in the Preamble.

30
31 "Navy Access Easements" has the meaning set forth in Section ~~7.1.1.2~~ 7.3.1.2.

32
33 "Navy Closing Documents" has the meaning set forth in Section 8.2.

34
35 "Navy Office" has the meaning set forth in Section 13.1.

36
37 "Navy Office ~~Agreement~~ Provisions" has the meaning set forth in Section 13.1 and is
38 attached as Exhibit K-2.
39

40 "Navy Personal Property" has the meaning set forth in Section 3.1.3.

1
2 "Navy Property" means, collectively, the Navy Personal Property and the Navy Real
3 Property.

4
5 "Navy Real Property" ~~means real property owned by the United States of America~~
6 ~~under the jurisdiction, custody, and control of the Navy as specified~~ has the meaning set forth in
7 Section 3.1.1, and specifically excludes the real property, easements, rights of access or other
8 interests under the jurisdiction, custody, and control of the United States Coast Guard, the United
9 States Department of Labor, the Federal Highway Administration, and the California Department
10 of Transportation.

11
12 "Navy Real Property Documents" has the meaning set forth in Section 12.1.

13
14 "Navy Reserved Access Easement" has the meaning set forth in Section ~~7.1.1.2~~ 7.3.1.2.

15
16 "NEPA" has the meaning set forth in the fifth Recital.

17
18 "NEPA ROD" has the meaning set forth in the fifth Recital.

19
20 "Net Available Tax Increment Revenues" has the meaning set forth in Section
21 ~~4.2.6.4.2.2.2~~ 4.2.2.2.

22
23 "Net Cash Flow" means Gross Revenues received by the Developer from the Project
24 less Development Costs paid by the Developer.

25
26 "Non-Assignable Easements, Contracts and Permits" has the meaning set forth in
27 Section 3.6.

28
29 "Non-Critical Commercial Lot" has the meaning set forth in Section 5.2.1.

30
31 "Non-Developer Critical Commercial Lot" has the meaning set forth in Section 5.2.2.

32
33 "Open Space Acres" means those portions of the Navy Real Property identified in the
34 ~~Illustrative DDA~~ Land Use Plan as 'Open Space' or 'Public Services, Civic, Institutional',
35 consisting of approximately 300 acres.

36
37 "Option Notice" has the meaning set forth in Section 3.8.7.

38
39 "Option Property" has the meaning set forth in Section 3.8.7.

40
41 "Owner Property" has the meaning set forth in Section ~~7.1.1.3.3~~ 7.3.1.3.3.

1
2 "Parcel" or "Parcels" has the meaning set forth in the fourth Recital.

3
4 "Parcel 9.b" means that property identified on Exhibit B-4 attached hereto.

5
6 "Parcel 21 Performance Benchmark" has the meaning set forth in Section 4.2.3.

7
8 "Parcel 24A Performance Benchmark" has the meaning set forth in Section 4.2.3.

9
10 "Parcel 30 Performance Benchmark" has the meaning set forth in Section 4.2.3.

11
12 "Parcel 30N Performance Benchmark" has the meaning set forth in Section 4.2.3.

13
14 "Parcel 30S Performance Benchmark" has the meaning set forth in Section 4.2.3.

15
16 "Parcel 31 Performance Benchmark" has the meaning set forth in Section 4.2.3.

17
18 "Partial Conveyance" means a conveyance by deed from the Navy to the Authority of
19 any number of Parcels comprising less than the entire Navy Real Property.

20
21 "Party" or "Parties" has the meaning set forth in the Preamble.

22
23 ~~"Performance Benchmark" has the meaning set forth in Section 4.2.2.~~
24

25 "Permissible Financing Costs" means debt service and required reserves for Mello-
26 Roos Bonds that are not withheld in such Mello-Roos Bonds issuances; and debt service and all
27 other related financing costs, including, without limitation, bond issuance costs and fees, legal
28 fees, and bond marketing costs, actually incurred and paid by Developer to pay for certain public
29 facilities to be constructed on the Property, including a fire/police station and public parking
30 garages, to the extent financed using public finance vehicles such as certificates of participation
31 or revenue bonds.

1
2 "Pre-Approved Arbiters List" has the meaning set forth in Section 27.3.1.
3

4 ~~"Pre-Closing Parcel" means that parcel of Navy Real Property conveyed to the~~
5 ~~Authority in advance of the Initial Closing for general government, transportation and~~
6 ~~infrastructure purposes.~~
7

8 ~~"Pre-Closing Parcel Consideration" means the value of the Pre-Closing Parcel~~
9 ~~established pursuant to Section 4.3.5.~~
10

11 "Pre-Closing Obligations" has the meaning set forth in Section 21.1.
12

13 "Pre-Development Costs" means reasonable costs actually incurred and paid and
14 directly related to the development, Entitlement, acquisition and implementation of the Project
15 incurred by Developer between the execution of the Exclusive Negotiating Agreement between
16 Authority and Developer and the Initial Closing, including architectural, engineering,
17 environmental, consultant, community outreach, legal and other professional fees; real property
18 taxes and assessments; insurance expenses; title and survey, sales and marketing expenses;
19 project management costs, security and site maintenance; fees and charges for bonds and
20 permits; and City cost reimbursements. The following shall not constitute "Pre-Development
21 Costs": (1) Repayment of the principal, fees and interest of any loan or other expense that is not
22 also a Permissible Financing Cost; or (2) distributions, preferred return or other capital return to
23 the members of the Developer. Pre-Development Costs also include a compound return on all
24 such costs equal to 20% per annum. An example of the calculation of Pre-Development Costs
25 incurred prior to the Initial Closing is attached hereto as Exhibit KK.

26
27 "Product Types" has the meaning set forth in Section 5.5.2.

28
29 "Project" means the mixed use development more particularly described in the DDA,
30 and expressly excludes the Marina Project.
31

32 "Property" means, collectively, the Government Real Property and the Navy Property.

33
34 "Qualified Appraiser Pool" has the meaning set forth in Section 5.4.1.

35
36 "Quarter" means a three-month period commencing on the first day of the Initial
37 Closing and continuing until the Termination Date hereof.
38

1 "Quitclaim Deed(s)" means those certain recordable quitclaim deeds conveying the
2 Navy's right, title, and interest to the Navy Real Property, ~~the Easements, or the Pre-Closing~~
3 ~~Parcel~~ to the Authority, substantially in the ~~forms~~form attached hereto and made a part hereof as
4 Exhibit D-1, Exhibit D-2, and Exhibit D-3.

5
6 "RACR" has the meaning set forth in Section 3.7.1.4.

7
8 "Redesign Budget" has the meaning set forth in Section 4.2.4.4.2.5.

9
10 "Redesign Costs" has the meaning set forth in Section 4.2.4.4.2.5.

11
12 "Redesign Plan" has the meaning set forth in Section 4.2.3.4.2.4.

13
14 "Redesign Trigger Event" has the meaning set forth in Section 4.2.3.4.2.4.

15
16 "Regulatory Authority" means any governmental agency having regulatory jurisdiction
17 over the Property to issue any required authorization, approval or permit.

18
19 "Regulatory Excusable Delay" means delays by Regulatory Authorities in issuing
20 requisite approvals or consents beyond the reasonable control of the Party claiming the benefit of
21 Regulatory Excusable Delay, provided that the Party claiming the benefit of Regulatory
22 Excusable Delay is diligently proceeding to obtain all necessary approvals from Regulatory
23 Authorities. Without limiting the foregoing, Regulatory Excusable Delays shall not include
24 delays resulting from (i) the Party's failure to timely respond to requests for information or (ii)
25 the Party's failure to take actions or proceed in a manner requested by the Regulatory Authority
26 that is consistent with industry standard practices and Regulatory Authority requirements as
27 commonly applied for the intended land use for property within the jurisdiction of the applicable
28 Regulatory Authority.

29
30 "Remainder Parcel" has the meaning set forth in the fourth Recital.

31
32 "Reporting Period" has the meaning set forth in Section 4.3.2.

33
34 "Re-Setting of the Minimum Bid Price" has the meaning set forth in Section 5.5.

35
36 "Residential Auction Lots" has the meaning set forth in Section 5.3.

37
38 "Reuse Plan" has the meaning set forth in the second Recital.

39
40 ~~"Road Easement" has the meaning set forth in Section 7.1.1.1.~~

41
42 "SEBS" has the meaning set forth in the third Recital.

1
2 “Second Tier Participation” has the meaning set forth in Section 4.3.1.

3
4 “Second Tier Payment” has the meaning set forth in Section 4.3.3.

5
6 “Site 12 Development Parcel” has the meaning set forth in Section 4.2.2.

7
8 “Site 12 Performance Benchmark” has the meaning set forth in Section ~~4.2.2.1~~ 4.2.2.

9
10 “Site 12 ROD” ~~has the meaning set forth in Section 4.2.2.1.1.~~ “Site 12 ROD
11 Notice” has the meaning set forth in Section 4.2.2.1.

12
13 “SHPO” has the meaning set forth in the seventh Recital.

14
15 “Soft Costs” means Developer’s reasonable out-of-pocket costs actually incurred and
16 paid on or after the Initial Closing (except as otherwise provided below or in Section 5.13) and
17 attributable to the following: designing the Horizontal Improvements and improvements on the
18 Critical Commercial Lots; marketing and selling the Lots, including Auction costs; Entitlements;
19 architectural, engineering, consultants, community outreach, attorney and other professional
20 fees; real property taxes and assessments; Permissible Financing Costs; insurance expenses,
21 including environmental insurance; sales and marketing expenses; security and site maintenance;
22 customary closing costs incurred in connection with sales of the Lots; Authority Costs Payments;
23 costs and subsidies incurred pursuant to the DDA, including, without limitation: costs and
24 subsidies not otherwise included in Hard Costs related to implementation of the transportation
25 program, affordable housing and transition housing program, rehabilitation of the historic
26 buildings, development of the Critical Commercial Lots, development of the parks and open
27 space, and public art; any Initial Consideration, including interest payments on the Initial
28 Consideration, any First Tier Payment, any Second Tier Payment, and expenses incurred by
29 Developer related to management of existing facilities and open space under a management
30 agreement with the Authority. Without limiting the foregoing, the following shall not constitute
31 “Soft Costs”: (1) repayment of the principal and interest, fees or costs of any loan, investment or
32 financing other than Permissible Financing Costs; and (2) distributions, preferred return or other
33 capital return to the members of Developer; and (3) costs and fees related to compliance and
34 reporting to lenders other than those required for any financing allowed under Permissible
35 Financing Costs.

36
37 “Subordinate Pledge” has the meaning set forth in Section 4.2.6.

1 “Sub-Phase” means each Sub-Phase of development as identified in the phasing plan
2 attached as an exhibit to the DDA.
3

4 “Term” means the term of this Agreement, commencing on the Effective Date and
5 expiring on the Termination Date unless terminated earlier as otherwise provided for herein.
6

7 “Termination Date” means the date twenty five (25) years from the Initial Closing or as
8 adjusted by mutual agreement of all Parties based on the annually updated pro forma.
9

10 “Third Party Access Easement” has the meaning set forth in Section ~~7.1.1.2~~ 7.3.1.2.

11
12 “Title Company” means such title insurance company as the Authority shall from time
13 to time designate.

14
15
16 “Tolling Event” has the meaning set forth in Section 4.2.3.
17

18 “Treasure Island” has the meaning set forth in the first Recital.
19

20 “UC1 Utility Corridor Performance Benchmark” has the meaning set forth in Section
21 4.2.3.
22

23 “UC2 Utility Corridor Performance Benchmark” has the meaning set forth in Section
24 4.2.3.

25
26 “Unperfected Easements, Contracts and Permits” has the meaning set forth in Section
27 3.6.
28

29 “Utilities Agreement” has the meaning set forth in Section 9.1.
30

31 “Utility Easements” has the meaning set forth in Section ~~7.1.2~~ 7.3.2.
32

1 **“Utility Infrastructure”** means all utilities and related support infrastructure located on
2 and off the Navy Real Property that are assignable or transferable by the Navy such as electrical,
3 water, sewer, gas, and storm drainage lines to be transferred to the Authority under this
4 Agreement pursuant to the terms and conditions set forth in a Bill of Sale in the form attached
5 hereto and made a part hereof as Exhibit H-2 or the Quitclaim Deeds substantially in the form
6 attached hereto and made a part hereof as Exhibit D-1 or Exhibit D-2.

7
8 **“Vertical Builder”** means the successor owner of a Lot pursuant to a transfer permitted
9 under the DDA who is building Vertical Improvements.

10
11 **“Vertical DDA”** means a disposition and development agreement entered into among the
12 Authority, Developer and a Vertical Builder in accordance with the DDA relating to the
13 construction of Vertical Improvements.

14
15 **“Vertical Improvements”** means buildings and structures that are not part of the
16 Horizontal Improvements constructed on Lots transferred to a Vertical Builder.

17
18 **“Work Program”** has the meaning set forth in Section 4.2.4.4.2.5.
19

Document comparison by Workshare Compare on Friday, May 09, 2014 9:24:52 AM

Input:	
Document 1 ID	C:\NetDocs\TI EDC Agreement Version Approved by Board of Supervisors - for comparison purposes.doc
Description	C:\NetDocs\TI EDC Agreement Version Approved by Board of Supervisors - for comparison purposes.doc
Document 2 ID	C:\NetDocs\Treasure Island EDC Agreement.doc
Description	C:\NetDocs\Treasure Island EDC Agreement.doc
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	499
Deletions	414
Moved from	14
Moved to	14
Style change	0
Format changed	0
Total changes	941





City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 110328

Date Passed: June 07, 2011

Resolution adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines and San Francisco Administrative Code Chapter 31, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations in connection with the development of Treasure Island/Yerba Buena Island, as envisioned in the Development Agreement for the Treasure Island/Yerba Buena Island Project Area.

May 02, 2011 Land Use and Economic Development Committee - AMENDED, AN
AMENDMENT OF THE WHOLE BEARING NEW TITLE

May 02, 2011 Land Use and Economic Development Committee - RECOMMENDED AS
AMENDED

May 17, 2011 Board of Supervisors - CONTINUED

Ayes: 10 - Avalos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and
Wiener
Excused: 1 - Campos

June 07, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar,
Mirkarimi and Wiener

File No. 110328

I hereby certify that the foregoing
Resolution was ADOPTED on 6/7/2011 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

6/13/11

Date Approved



[CEQA Findings - Treasure Island/Yerba Buena Island Development Project]

Resolution adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines and San Francisco Administrative Code Chapter 31, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations in connection with the development of Treasure Island and Yerba Buena Island, as envisioned in the Development Plan Agreement for the Treasure Island/Yerba Buena Island Project Area.

WHEREAS, The Treasure Island/ Yerba Buena Island Project Area Site comprises 550 acres of property, which includes portions of both Treasure Island and Yerba Buena Island, excluding a 37 acre, federally owned U.S. Department of Labor Job Corps site and the eastern portion of Yerba Buena Island ("Project Area Site"); and,

WHEREAS, The Planning Department ("Department") and TIDA have undertaken a planning and environmental review process for the proposed Project Area Site and provided for appropriate public hearings before the Planning Commission and the TIDA Board of Directors; and,

WHEREAS, The actions listed in Attachment A ("Actions") are part of a series of considerations in connection with the ~~Development Plan for the Treasure Island/Yerba Buena Island Project Area~~ as defined in the Treasure Island/Yerba Buena Island Development Agreement (collectively, the "Project"), as ~~more particularly defined~~ discussed in additional detail in Attachment A; and,

WHEREAS, On July 12, 2010, the Department and TIDA released for public review and comment the Draft Environmental Impact Report for the Project, (Department Case No. 2007.0903E); and,

1 WHEREAS, The Planning Commission and TIDA held a special joint hearing on
2 August 12, 2010 on the Draft Environmental Impact Report and received written public
3 comments until 5:00 pm on September 10, 2010, for a total of 60 days of public review; and,

4 WHEREAS, The Department and TIDA prepared a Final Environmental Impact Report
5 ("FEIR") for the Project consisting of the Draft Environmental Impact Report, the comments
6 received during the review period, any additional information that became available after the
7 publication of the Draft Environmental Impact Report, and the Draft Summary of Comments
8 and Responses, all as required by law. Copies of said documents are on file with the Clerk of
9 the Board in File No. 110328, and are incorporated herein by reference; and,

10 WHEREAS, The FEIR files and other Project-related Department and TIDA files have
11 been available for review by this Board of Supervisors and the public, and those files are part
12 of the record before this Board of Supervisors; and,

13 WHEREAS, On April 21, 2011, the Planning Commission and the TIDA Board of
14 Directors reviewed and considered the FEIR and, by Motion No. 18325 and Resolution No.
15 11-14-04/21, respectively, found that: (1) the contents of said report and the procedures
16 through which the FEIR was prepared, publicized and reviewed complied with the provisions
17 of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and Chapter
18 31 of the San Francisco Administrative Code; (2) the FEIR was adequate, accurate and
19 objective, reflected the independent judgment and analysis of each Commission and that the
20 summary of Comments and Responses contained no significant revisions to the Draft
21 Environmental Impact Report; and (3) the Project will have significant and unavoidable project
22 impacts and make a considerable contribution to cumulative impacts in the areas of
23 transportation, noise, air quality and historic resources; and,

24 WHEREAS, By said Motion and Resolution, the Planning Commission and the TIDA
25 Board of Directors, respectively, certified the completion of the Final Environmental Impact

Report for the Project in compliance with CEQA and the CEQA Guidelines. Said Motion and Resolution are on file with the Clerk of the Board in File No. 110328 and are incorporated herein by reference; and,

WHEREAS, The Department and TIDA prepared ~~proposed~~ in Motion No. 18326 and Resolution No. 11-15-04/21, respectively adopted environmental findings, as required by CEQA (the "CEQA Findings"), regarding the rejection of alternatives; mitigation measures; significant environmental impacts analyzed in the FEIR; and overriding considerations for approving the Project, including all of its Actions, among other topics. The CEQA Findings also include a proposed mitigation monitoring and reporting program, denoted as Attachment B. These CEQA findings, the Board of Supervisors' CEQA Findings, and related Project documents were made available to the public and this Board of Supervisors for the Board's review, consideration, and actions. Copies of the CEQA Findings of the Planning Commission, TIDA, and the Board are on file with the Clerk of the Board of Supervisors in File No. 110328, and are incorporated herein by reference; now, therefore, be it

RESOLVED, That the Board of Supervisors makes the following findings in compliance with the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 14 Cal. Code Reg. Code Sections 15000 et seq. ("CEQA Guidelines"), and San Francisco Administrative Code Chapter 31 ("Chapter 31"); and,

FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered Planning Commission Motion No. 18325 certifying the FEIR and finding the FEIR adequate, accurate and objective, and reflecting the independent judgment and analysis of the Planning Commission, and hereby affirms the Planning Commission's certification of the FEIR by Board of Supervisors Motion No. 18326. Copies of said Motions are on file with the

1 Clerk of the Board of Supervisors in File No. 110328 and are incorporated herein
2 by reference; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors finds that (1) modifications
4 incorporated into the Project and reflected in the Actions will not require important revisions to
5 the FEIR due to the involvement of new significant environmental effects or a substantial
6 increase in the severity of previously identified significant effects; (2) no substantial changes
7 have occurred with respect to the circumstances under which the Project or the Actions are
8 undertaken that would require major revisions to the FEIR due to the involvement of new
9 significant environmental effects, or a substantial increase in the severity of effects identified
10 in the FEIR; and (3) no new information of substantial importance to the Project or the Actions
11 has become available that would indicate (a) the Project or the Actions will have significant
12 effects not discussed in the FEIR; (b) significant environmental effects will be substantially
13 more severe; (c) mitigation measures or alternatives found not feasible, which would reduce
14 one or more significant effects, have become feasible; or (d) mitigation measures or
15 alternatives, which are considerably different from those in the FEIR, would substantially
16 reduce one or more significant effects on the environment; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
18 the FEIR and hereby adopts its CEQA Findings, including the mitigation monitoring and
19 reporting program, contained in Attachment B, and the statement of overriding considerations.



SAN FRANCISCO PLANNING DEPARTMENT

DATE: April 29, 2014

TO: Case File No. 2007.0903E

FROM: Rick Cooper, Senior Environmental Planner

CC: Robert Beck, Director, Treasure Island Development Authority
Eric Brooks, Campaign Coordinator, Our City San Francisco
Anthony F. Gantner, Chief Counsel, Our City San Francisco

Re: Recent Information Regarding Radiological Analysis of Soil
Samples on Treasure Island and Recent Communications
Regarding Tsunami Issues

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

INTRODUCTION

Treasure Island and Yerba Buena Island have been part of Naval Station Treasure Island since 1941. The Naval Station was formally closed under the Base Closure and Realignment Act in 1997, and the United States Navy ("Navy") and City and County of San Francisco ("the City") have been working together on transfer of the property to the City. The Treasure Island Development Authority ("TIDA"), a City agency, and Treasure Island Community Development ("TICD"), a private development group, prepared a detailed plan to redevelop Treasure Island and Yerba Buena Island following transfer. An Environmental Impact Report was certified by the San Francisco Planning Commission and TIDA for the Treasure Island/Yerba Buena Island Redevelopment Project in April 2011 ("the Final EIR"). Certification was upheld on appeal at the Board of Supervisors on June 7, 2011.

Two issues have been raised recently regarding information and conclusions in the Final EIR: updated information from the California Department of Public Health regarding hazardous materials in the soil of Treasure Island, and information from a member of the public regarding tsunami effects in San Francisco Bay and their impact on Treasure Island. Both are discussed below. In both cases the Environmental Planning staff conclude that no supplemental or subsequent EIR is required because there are no substantial changes in the project analyzed in the EIR, no changes in circumstances under which the project is being undertaken, and the information presented in the documents provided does not provide new information indicating that new significant impacts would occur or that impacts identified in the Final EIR as significant impacts would be substantially more severe.

Results of Surveys for Radiological Material in Treasure Island Soil

During the Navy's use of the property, Treasure Island was the site of many industrial activities that resulted in the presence of hazardous materials and hazardous wastes in the soil and in buildings in multiple locations on the island. As part of base closure and pursuant to several federal laws and regulations, the Navy has been performing studies, identifying contamination, and remediating the sites where chemicals of concern were found. This program follows Department of Defense procedures based on the requirements of two main federal statutes: the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and the Resource Conservation and Remediation Act ("RCRA"). As of the date of EIR publication, several contaminated sites

had been remediated by the Navy and closed pursuant to the requirements of CERCLA, and others were still open and in the process of being remediated. The studies and remediation activities related to potential contaminants of concern on Treasure Island are discussed in the Final EIR in Section IV.P, Hazards and Hazardous Materials on pp. IV.P.1 – IV.P.27. The Final EIR stated that, at the sites that had not been closed, the Navy's investigation and remediation activities were ongoing. (See Final EIR, p. IV.P.17.) As noted on Final EIR p. IV.P.3, the Navy's remediation activities are not part of TIDA's proposal to redevelop Treasure Island and Yerba Buena Island. As discussed below, however, such remediation was always contemplated as a necessary precondition to the redevelopment. Further, the Final EIR explained that "TIDA cannot accept any property with known radiological contamination. If radiological materials are subsequently discovered during construction activities, the Navy would be responsible and required to perform any necessary remedial activities to obtain a "free release" of the subject property." (Final EIR, p. IV.P.15-16.)

One of the studies performed by the Navy and discussed in the EIR was a base-wide Historical Radiological Assessment, prepared in 2006 ("2006 HRA"). The 2006 HRA identified five locations where radiological contamination might be found on Treasure Island. The Final EIR summarizes these findings on pp. IV.P.15-IV.P.16. The Final EIR refers to one of these sites as "Site 12."

The Navy has continued to study radiological contamination on Treasure Island since certification of the Final EIR. In 2013, the Radiological Health Branch of the California Department of Public Health assisted with survey efforts by collecting and testing samples at five locations within Site 12 on Treasure Island. The Radiological Assessment Unit of the Radiologic Health Branch reported the results of these tests in a memorandum dated June 26, 2013, updated September 23, 2013 (the "RAU Soil Sampling Report").¹ The conclusions in the RAU Soil Sampling Report are that there is radium (Ra-226) in the soil at the five locations sampled, and that Cesium-137 concentrations for 9 of the 11 samples tested were below the minimum detectable activity values (MDA) and for the remaining 2 were at ambient background levels. Additional sampling to establish the extent of radium contamination, and remediation, were recommended. Further testing continues, with additional samples taken by a contractor to the Navy in September and October 2013, and cleanup actions planned in 2014.

Investigation, characterization, and where necessary remediation by the Navy of radiological contamination is already discussed in the Final EIR on pp. IV.P.15 – IV.P.16. These activities are part of the existing and ongoing clean up of Naval facilities in the base closure program and were accounted for in the Final EIR. The potential that there may be some additional contaminated sites on Treasure Island does not substantially change the discussion or the conclusions in the Final EIR, which explains that transfer of

¹ Roger K. Lupo, Chief, Radiological Assessment Unit, and Victoria Brandt, Associate Health Physicist, "RAU Staff Soil Sampling, Treasure Island, Site 12, March 20-21, 2013," Memorandum to Jerry Hensley, Chief, Strategic Planning and Quality Assurance Section, dated June 26, 2013, Updated September 23, 2013. A copy of this memorandum is available for public review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File no. 2007.0903E. The memorandum is also available on the Department of Toxic Substances Control website at: www.envirostor.dtsc.ca.gov/regulators/deliverable_documents/7569792032/2013-0321_TI_RHB_Survey_Site_12-Soil_Sample, accessed November 27, 2013.

radiologically contaminated sites to TIDA will not occur until remediation by the Navy has been accomplished. No further environmental analysis is required to address the additional nine potentially contaminated sites. As explained in the EIR, if, based on further investigations, the Navy determines that additional radiological contamination is present at a site, then the Navy must fully remediate the radiological contamination before the site is transferred; thus, the clean-up at a site must be completed before development of that site can proceed.

Circumstances under which the proposed project will be undertaken have not changed substantially. The recent reports on radiological contamination at Treasure Island do not raise new issues and do not identify potential new significant impacts that were not discussed in the EIR. The significant effects identified in the EIR would not be substantially more severe, and therefore would not result in the need for new mitigation measures not identified in the EIR (note that no mitigation measures related to reducing impacts from hazardous materials were found to be infeasible as part of the approval actions on the proposed project). No subsequent or supplemental EIR is necessary.

Tsunami Issues

A letter discussing tsunami issues was sent to the Environmental Review Officer in October 2013. The letter identifies a United States Geological Survey (USGS) study of potential tsunami effects. The letter purports to summarize the USGS study and states that the study shows that an earthquake in Alaska could result in inundation on Treasure Island, that sea level rise will result in similar inundation, and that this is new information requiring a Supplemental EIR.²

These issues are the same as those raised regarding tsunami impacts during the public hearings on certification of the Final EIR by the San Francisco Planning Commission in April 2011 (pp. 36-37) and on the appeal of EIR certification at the San Francisco Board of Supervisors in June 2011 (pp 16-17), as well as at other hearings on the proposed Treasure Island/Yerba Buena Redevelopment Project. The Final EIR addresses the potential for impacts due to tsunami in Section IV.O, Hydrology and Water Quality, specifically on pp. IV.O.5-IV.O.7, IV.O.30-IV.O.35, and IV.O.48-IV.O.50. As explained there, the proposed project includes an adaptive management strategy for addressing sea level rise in combination with other flooding risks, including tsunami. The EIR discussions are based on a Coastal Flooding Study prepared for the project site by the experts at Moffatt & Nichol Engineers.

The USGS study summary enclosed with the letter to the ERO discusses a "hypothetical but plausible" tsunami scenario that is theoretically possible from a major earthquake in Alaska.³ As noted in the summary report, the frequency of the tsunami scenario studied "would occur, on average, on the order of hundreds of years." The resulting wave

² Eric Brooks, Campaign Coordinator for Our City San Francisco, and Anthony Gantner, Chief Counsel for Our City San Francisco, letter to Sarah B. Jones, Environmental Review Officer, October 7, 2013. A copy of this document is available for public review at the San Francisco Planning Department, 1650 Mission Street, as part of Case File No. 2007.0903E.

³ USGS, "The SAFRR Tsunami Scenario – Improving Resilience for California," Fact Sheet 2013-3081, August 2013. While not an author of the paper attached to Mr. Brooks' letter, David Dykstra of Moffatt and Nichol Engineers participated in the series of studies for the Tsunami Scenario report and authored a portion of the main report.

heights in San Francisco Bay are not identified in the summary report, but are summarized in Chapter E of The SAFRR Tsunami Scenario – Physical Damage in California.⁴ As stated there, in the hypothetical event analyzed, there could be wave heights in excess of six feet at the Golden Gate, and flooding could occur along The Embarcadero of between three and six feet. Wave heights and inundation are not estimated for Treasure Island, but flow depths at Port of Oakland facilities are estimated at less than two feet, considerably less than the heights estimated at the Golden Gate. That is, the wave height at the entrance to the Bay would be higher than wave heights inside the Bay, as explained on EIR p. IV.O.7. There is no indication in this report that Treasure Island would be completely inundated, unlike the statements in the letter from Mr. Brooks.

The EIR discusses tsunami effects in Impact HY-11 on p. IV.O.48. As explained there, flooding from run-up conditions accounting for combined tides, surge, waves, and tsunami was estimated at from 10 to 16 feet, similar to the information in the USGS report. The Development Plan includes strengthening and raising the protective berms around Treasure Island to prevent flooding effects, including from tsunamis. An adaptive management strategy to address flooding from sea level rise would also contribute to protection from tsunami wave action. Improvements in the Treasure Island Development Plan include raising the perimeter berm for up to 16 inches of sea level rise, and raising the ground elevation of building pads to between three and three-and-one-half feet above the current 100-year high-tide elevation to accommodate up to three feet of sea level rise. In addition, no development other than open space facilities is proposed to be located within 200-300 feet of the western shoreline (except the proposed ferry dock and terminal). An on-going monitoring program will regularly review sea level rise data as new information becomes available. A decision-making framework for future improvements will be established with multiple opportunities to implement further adaptive strategies, such as increasing the height or changing the shape of the perimeter berm or constructing sea walls. In addition, a funding mechanism will be established to pay for any adaptive strategies that are determined to be necessary in the future.⁵

The information from the USGS SAFRR Tsunami Scenario does not present new information compared with that used in developing the proposed level of flood protection or new information identifying any new significant impacts of the environment on the proposed development of Treasure Island that were not identified in the EIR. No new mitigation measures have been identified that would reduce otherwise significant impacts discussed in the EIR, and no changes in circumstances have occurred that would result in new significant impacts not identified in the EIR.

⁴ Porter, Keith, William Byers, David Dykstra, Amy Lim, Patrick Lynett, Jamie Ratliff, Chyarles Scawthorn, Anne Wein, and Rick Wilson, *The SAFRR Tsunami Scenario – Physical Damage in California*, Chapter E in *The SAFRR Tsunami Scenario*, S.L. Ross and L.M. Jones, eds, USGS Open-File Report 2013-1170-E, California Geological Survey Special Report 229, pp. 57-64. Available on line at <http://pubs.usgs.gov/of/2013/1170/3/0d1/of2013-1170e.pdf>. Accessed 12/4/13.

⁵ See also Moffatt and Nichol Engineers, "Proactively Addressing Sea Level Rise for the Treasure Island Redevelopment Project," April 2010. This document was included in the administrative record for the Final EIR, and is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2007.0903E.

In view of the above, the Department has determined that no subsequent or supplemental EIR is required.





Item 6 (a)
DRAFT Minutes of Meeting
Treasure Island Development Authority
May 14, 2014
Meeting
Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Mirian Saez, Director of Island Operations
Loraine Lee, Commission Secretary

1. Call to Order 1:37 PM

Present

Linda Richardson, *President*
Larry Mazzola, Jr., *VP*
Mark Dunlop
V. Fei Tsen
Jean-Paul Samaha

GOVERNMENT
DOCUMENTS DEPT.

Excused

John Elberling
Supervisor Jane Kim, *Ex-Officio*

JUN - 9 2014

SAN FRANCISCO
PUBLIC LIBRARY

2. General Public Comment

Mark Connors, Island Resident, mentioned difficulty finding minutes and audio on website.
Sandy Agee, Island Resident, spoke about the future demolition of building next to her unit and concerns for her health. Asked if Site 12 residents can be relocated.
Kathryn Lundgren, Island Resident, commented about the affordability of the city and the safety of families health residing on the Island.

3a. Directors Report

Mirian Saez, Director of Island Operations, started her report with Public Safety issues. Residential burglaries continue to be low, one burglary reported last month. Commercial area vehicle break-ins are at statistical high. Arrest of possible suspect made. Spoke about the bi-monthly Community Meeting held on April 16. Topics discussed at the meeting included budget, presentation by Recology regarding Clean-Up day, and PUC presentation on Water Conservation. Supervisor Jane Kim held her Community Office Hours at the same time. Prior to the meeting, staff toured the Gym and the After School program with Supervisor Kim. Spoke about the enforcement at Clipper Cove and scheduled depth survey. Reported one unscheduled power outage on April 27. Quality of Life: Residential Clean-Up Day is scheduled for Saturday, May 17, 2014. The on-Island Department of Health (DPH) Nurse Intervention Clinic opened its doors and began twice weekly service to Island resident on April 23. Provides residents with care and advice on issues including blood pressure and blood sugar checks, sinus and allergies and immunization, among others. DPH nurse led teaching groups at the Y's After School program concerning nutrition, hygiene, wellness, and therapeutic communication. DPH

continues its outreach to Island residents. 311 Service Requests: Reminder to residents to utilize the City's 311 Call Center to report public work types of deficiencies last month. Majority of calls were to PUC for street lights. Spoke about Leasing, Filming, and Special Events. Informed about Villages implementing its Water Conservation Initiative. Informed about Treasure Island Museum Association's exhibit, *Wish You Were Here*, the theme of the postcards exhibit from the Golden Gate International Exposition. Opening takes place on Saturday, May 15 with a lecture at Casa de la Vista followed by reception at the Winery SF beginning at 10:30. Informed the Treasure Island Flea Market returned to the Great Lawn through fall. Shout-Out: Life Learning Academy was awarded a 2014 Environmental Excellence Award by SF Environment at SFE's 2014 School Awards at City Hall. PPS for providing On-Island CPR/First Aid Classes at Casa de la Vista on April 22 and April 24.

Director Richardson commented on Crime Statistics.

3b. Report by Treasure Island Director

Bob Beck, Treasure Island Director, provided an update on Navy Remediation Efforts. Preparation for residential surveys is on-going. Confirming a date for open house for residents to receive information on in-home surveys. Flyers will be sent to residents after date and time is confirmed. Navy working with contractor and state regulators to develop technical procedures for the surveys. Navy officials plan to meet with housing providers to work on scheduling of surveys.

YBI Ramps project: Hummingbirds fledged. Building 240 demolished and building 57 to be demolished by the end of May. Macalla road bypasses are to be constructed by mid-June. We have provided a page on the TIDA website, www.SFTreasureIsland.org, where contractors who are interested in working with TIDA or TICD can register to receive information when future Requests for Proposals are issued. In April, participated in a walkthrough of the Wastewater Treatment Plant with EPA and PUC. Bi-annual inspection by EPA. Awaiting for results.

Director Dunlop asked if the Wastewater Treatment Plant report will be available on the website.

Mark Connors, Island Resident, commented about the Island clinic and suggested if the clinic could help bring medication to reduce stress to residents. Looking forward to the Navy testing. Treasure Island Crime Watch will be hosting National Night Out on August 5. Breaking down statistics of crime on the Island. Gave shout-out to Residents for helping with lowering the crime rate.

4. Communications

There was no discussion on Communications by Directors.
There was no public comment.

5. Ongoing Business by Board of Directors

There was no discussion on Ongoing Business by Directors.
There was no public comment.

97 **6. Consent Agenda**

- 98 a. Approving the Minutes of the April 16, 2014 Regular Meeting
99 b. Approving the Budget of the Treasure Island Development Authority Fiscal Years
100 2014-15, 2015-16 and Authorizing the Directors of Treasure Island to Enter into
101 Work-Orders for Services with other City Departments, Professional Services
102 Contracts and Agreements with Service Providers
103

104 There was no public comment.

105 Director Dunlop motioned for approval.

106 Director Mazzola seconded the motion.

107 This item passed unanimously.
108

109 **7. Discussion and Possible Replacement of Board Secretary Due to the**
110 **Resignation of Larry Del Carlo (*Discussion Item*)**

111 Director Richardson nominated Director Samaha as Board Secretary.
112

113 There was no public comment.

114 Director Dunlop motioned for approval.

115 Director Mazzola seconded the motion.

116 This item passed unanimously.
117

118 **8. Informational Presentation on the Solicitation and Negotiation of a Sublease**
119 **and Property Management Agreement for Treasure and Yerba Buena**
120 **Islands Market-Rate Rental Housing (*Discussion Item*)**

121 Peter Summerville, TIDA Staff, provided history of solicitation. Informed new agreement
122 is consistent to current agreement with updates to City standards and requirements.
123 Anticipate presenting a draft agreement at next Board meeting.
124

125 Director Mazzola asked if no other parties were interested.

126 Director Tsen asked if there's a provision when housing units may be lost in regards to
127 management fee. Commented that 10 years is a long term.

128 Director Dunlop asked if the prevailing wages are adjusted in the City, if it will be
129 adjusted in the contract. Heard high praise for JSCo and supports and commends the
130 company.

131 Director Richardson asked if there is no change in base rent and if the current policies
132 and amendments are reviewed.

133 Director Samaha asked how the 10 Year contract plays into the development.
134

135 Mark Connors, Island Resident, asked what type of outreach was done to other
136 companies and how many residents were on the panel. Commented JSCo treats YBI
137 residents different than TI residents.

138 Jim Burres, commented about residing on the Island in the 70s. Urged representatives to
139 carefully research the Island regarding health issues.
140

141 **9. Informational Presentation of On-Going Environmental Investigation and**
142 **Remediation Programs on Treasure Island (*Discussion Item*)**

143 Bob Beck, TIDA Director, provided an updated on the other Environment Sites of the
144 Island per the request of Director Tsen. Described the overall objective of the Navy's

Environmental Project – to address environmental contamination in a manner that is protective of human health and the environment under current conditions, during remediation, and in the future reuse of the Island.

Director Richardson asked who will be in charge of the remediation within the Job Corp Property. Asked if YBI is Caltran property and if Caltran is involved with the project. Asked about Land Use Controls, particularly on Clipper Cove. Asked if regulatory agencies will be working independently. Asked what the timeline of completion is for Site 12.

Director Dunlop asked how residents will be notified about the open house meeting.

Director Tsen asked if the tests are calibrated to future land use at Site 12.

Director Samaha asked for clarity on various entity overseeing clean up and process and who makes the final decision that the Island is safe.

Director Dunlop asked if there are any analyses of potential exposure to the residents.

Jim Burres commented about the various base closures around the world.

Kathryn Lundgren, Island Resident, commented the Island is not safe.

10. Resolution approving the Economic Development Conveyance Memorandum of Agreement for the Transfer of Former Naval Station Treasure Island from the United States Government to the Treasure Island Development Authority and adopting findings under the California Environmental Quality Act (Action Item)

Bob Beck, TIDA Director, reviewed the EDC MOA and the finalization of the agreement. Described the issues that has been finalized in the past year. Reviewed the schedule for the transfer of property included in the agreement.

Director Richardson commented the EDC MOA is a fine document and impressed with the level of details in the EDC MOA.

Director Dunlop agreed with Director Richardson on the new document addressed many concerns.

Director Tsen commented the EDC MOA is strengthened and the Navy cannot transfer the parcels to the City until they have completed the cleanup of those parcels. Asked if there are any penalties imposed to the Navy if there are delays in transfers.

Director Samaha asked if the initial transfer will come to the Board for review prior to the transfer.

Sherry Williams, TIHDI Executive Director, commented this is a moment of celebration.

Kathryn Lundgren, Island Resident, commented the approval of EDC MOA is premature as the Island is in need of more analysis.

Jim Burres asked how much the Navy paid to the City for transferring contaminated land.

Director Dunlop motioned for approval.

Director Samaha seconded the motion.

This item passed unanimously.

11. Discussion of Future Agenda Items by Directors (Discussion Item)

There was no discussion of future agenda items.

193 There was no public comment.

194

195 **12. Possible Closed Session to Confer with Real Property Negotiators**

196 There was no Closed Session.

197 There was no public comment.

198

199 **13. Adjourn**

200 The meeting was adjourned at 3:56 PM.



1 **Item 6 (a)**
2 Minutes of Meeting
3 Treasure Island Development Authority
4 May 14, 2014
5 Meeting
6 Room 400, City Hall
7 1 Dr. Carlton B. Goodlett Place

8
9 Mirian Saez, Director of Island Operations
10 Loraine Lee, Commission Secretary
11

12 **1. Call to Order** 1:37 PM
13

14 **Present**

15 Linda Richardson, *President*
16 Larry Mazzola, Jr., *VP*
17 Mark Dunlop
18 V. Fei Tsen
19 Jean-Paul Samaha

GOVERNMENT
DOCUMENTS DEPT

20 **Excused**

21 John Elberling
22 Supervisor Jane Kim, *Ex-Officio*
23
24

JUN 12 2014

SAN FRANCISCO
PUBLIC LIBRARY

25 **2. General Public Comment**

26 Mark Connors, Island Resident, mentioned difficulty finding minutes and audio on
27 website.

28 Sandy Agee, Island Resident, spoke about the future demolition of building next to her
29 unit and concerns for her health. Asked if Site 12 residents can be relocated.

30 Kathryn Lundgren, Island Resident, commented about the affordability of the city and the
31 safety of families health residing on the Island.
32

33 **3a. Directors Report**

34 Mirian Saez, Director of Island Operations, started her report with Public Safety issues.
35 Residential burglaries continue to be low, one burglary reported last month. Commercial
36 area vehicle break-ins are at statistical high. Arrest of possible suspect made. Spoke about
37 the bi-monthly Community Meeting held on April 16. Topics discussed at the meeting
38 included budget, presentation by Recology regarding Clean-Up day, and PUC
39 presentation on Water Conservation. Supervisor Jane Kim held her Community Office
40 Hours at the same time. Prior to the meeting, staff toured the Gym and the After School
41 program with Supervisor Kim. Spoke about the enforcement at Clipper Cove and
42 scheduled depth survey. Reported one unscheduled power outage on April 27. Quality of
43 Life: Residential Clean-Up Day is scheduled for Saturday, May 17, 2014. The on-Island
44 Department of Health (DPH) Nurse Intervention Clinic opened its doors and began twice
45 weekly service to Island resident on April 23. Provides residents with care and advice on
46 issues including blood pressure and blood sugar checks, sinus and allergies and
47 immunization, among others. DPH nurse led teaching groups at the Y's After School
48 program concerning nutrition, hygiene, wellness, and therapeutic communication. DPH

continues its outreach to Island residents. 311 Service Requests: Reminder to residents to utilize the City's 311 Call Center to report public work types of deficiencies last month. Majority of calls were to PUC for street lights. Spoke about Leasing, Filming, and Special Events. Informed about Villages implementing its Water Conservation Initiative. Informed about Treasure Island Museum Association's exhibit, *Wish You Were Here*, the theme of the postcards exhibit from the Golden Gate International Exposition. Opening takes place on Saturday, May 15 with a lecture at Casa de la Vista followed by reception at the Winery SF beginning at 10:30. Informed the Treasure Island Flea Market returned to the Great Lawn through fall. Shout-Out: Life Learning Academy was awarded a 2014 Environmental Excellence Award by SF Environment at SFE's 2014 School Awards at City Hall. PPS for providing On-Island CPR/First Aid Classes at Casa de la Vista on April 22 and April 24.

Director Richardson commented on Crime Statistics.

3b. Report by Treasure Island Director

Bob Beck, Treasure Island Director, provided an update on Navy Remediation Efforts. Preparation for residential surveys is on-going. Confirming a date for open house for residents to receive information on in-home surveys. Flyers will be sent to residents after date and time is confirmed. Navy working with contractor and state regulators to develop technical procedures for the surveys. Navy officials plan to meet with housing providers to work on scheduling of surveys.

YBI Ramps project: Hummingbirds fledged. Building 240 demolished and building 57 to be demolished by the end of May. Macalla road bypasses are to be constructed by mid-June. We have provided a page on the TIDA website, www.SFTreasureIsland.org, where contractors who are interested in working with TIDA or TICD can register to receive information when future Requests for Proposals are issued. In April, participated in a walkthrough of the Wastewater Treatment Plant with EPA and PUC. Bi-annual inspection by EPA. Awaiting for results.

Director Dunlop asked if the Wastewater Treatment Plant report will be available on the website.

Mark Connors, Island Resident, commented about the Island clinic and suggested if the clinic could help bring medication to reduce stress to residents. Looking forward to the Navy testing. Treasure Island Crime Watch will be hosting National Night Out on August 5. Breaking down statistics of crime on the Island. Gave shout-out to Residents for helping with lowering the crime rate.

4. Communications

There was no discussion on Communications by Directors.
There was no public comment.

5. Ongoing Business by Board of Directors

There was no discussion on Ongoing Business by Directors.
There was no public comment.

97 **6. Consent Agenda**

- 98 a. Approving the Minutes of the April 16, 2014 Regular Meeting
99 b. Approving the Budget of the Treasure Island Development Authority Fiscal Years
100 2014-15, 2015-16 and Authorizing the Directors of Treasure Island to Enter into
101 Work-Orders for Services with other City Departments, Professional Services
102 Contracts and Agreements with Service Providers
103

104 There was no public comment.

105 Director Dunlop motioned for approval.

106 Director Mazzola seconded the motion.

107 This item passed unanimously.
108

109 **7. Discussion and Possible Replacement of Board Secretary Due to the**
110 **Resignation of Larry Del Carlo (*Discussion Item*)**

111 Director Richardson nominated Director Samaha as Board Secretary.
112

113 There was no public comment.

114 Director Dunlop motioned for approval.

115 Director Mazzola seconded the motion.

116 This item passed unanimously.
117

118 **8. Informational Presentation on the Solicitation and Negotiation of a Sublease**
119 **and Property Management Agreement for Treasure and Yerba Buena**
120 **Islands Market-Rate Rental Housing (*Discussion Item*)**

121 Peter Summerville, TIDA Staff, provided history of solicitation. Informed new agreement
122 is consistent to current agreement with updates to City standards and requirements.

123 Anticipate presenting a draft agreement at next Board meeting.
124

125 Director Mazzola asked if no other parties were interested.

126 Director Tsen asked if there's a provision when housing units may be lost in regards to
127 management fee. Commented that 10 years is a long term.

128 Director Dunlop asked if the prevailing wages are adjusted in the City, if it will be
129 adjusted in the contract. Heard high praise for JSCo and supports and commends the
130 company.

131 Director Richardson asked if there is no change in base rent and if the current policies
132 and amendments are reviewed.

133 Director Samaha asked how the 10 Year contract plays into the development.
134

135 Mark Connors, Island Resident, asked what type of outreach was done to other
136 companies and how many residents were on the panel. Commented JSCo treats YBI
137 residents different than TI residents.

138 Jim Burres, commented about residing on the Island in the 70s. Urged representatives to
139 carefully research the Island regarding health issues.
140

141 **9. Informational Presentation of On-Going Environmental Investigation and**
142 **Remediation Programs on Treasure Island (*Discussion Item*)**

143 Bob Beck, TIDA Director, provided an updated on the other Environment Sites of the
144 Island per the request of Director Tsen. Described the overall objective of the Navy's

Environmental Project – to address environmental contamination in a manner that is protective of human health and the environment under current conditions, during remediation, and in the future reuse of the Island.

Director Richardson asked who will be in charge of the remediation within the Job Corp Property. Asked if YBI is Caltran property and if Caltran is involved with the project. Asked about Land Use Controls, particularly on Clipper Cove. Asked if regulatory agencies will be working independently. Asked what the timeline of completion is for Site 12.

Director Dunlop asked how residents will be notified about the open house meeting. Director Tsen asked if the tests are calibrated to future land use at Site 12.

Director Samaha asked for clarity on various entity overseeing clean up and process and who makes the final decision that the Island is safe.

Director Dunlop asked if there are any analyses of potential exposure to the residents.

Jim Burres commented about the various base closures around the world.

Kathryn Lundgren, Island Resident, commented the Island is not safe.

10. Resolution approving the Economic Development Conveyance Memorandum of Agreement for the Transfer of Former Naval Station Treasure Island from the United States Government to the Treasure Island Development Authority and adopting findings under the California Environmental Quality Act (Action Item)

Bob Beck, TIDA Director, reviewed the EDC MOA and the finalization of the agreement. Described the issues that has been finalized in the past year. Reviewed the schedule for the transfer of property included in the agreement.

Director Richardson commented the EDC MOA is a fine document and impressed with the level of details in the EDC MOA.

Director Dunlop agreed with Director Richardson on the new document addressed many concerns.

Director Tsen commented the EDC MOA is strengthened and the Navy cannot transfer the parcels to the City until they have completed the cleanup of those parcels. Asked if there are any penalties imposed to the Navy if there are delays in transfers.

Director Samaha asked if the initial transfer will come to the Board for review prior to the transfer.

Sherry Williams, TIHDI Executive Director, commented this is a moment of celebration. Kathryn Lundgren, Island Resident, commented the approval of EDC MOA is premature as the Island is in need of more analysis.

Jim Burres asked how much the Navy paid to the City for transferring contaminated land.

Director Dunlop motioned for approval.

Director Samaha seconded the motion.

This item passed unanimously.

11. Discussion of Future Agenda Items by Directors (Discussion Item)

There was no discussion of future agenda items.

193 There was no public comment.

194

195 **12. Possible Closed Session to Confer with Real Property Negotiators**

196 There was no Closed Session.

197 There was no public comment.

198

199 **13. Adjourn**

200 The meeting was adjourned at 3:56 PM.





TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

June 11, 2014 – 1:30PM

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

GOVERNMENT
DOCUMENTS DEPT

JUN - 9 2014

DIRECTORS

SAN FRANCISCO
PUBLIC LIBRARY

Linda Fadeke Richardson, President
Larry Mazzola, Jr., VP
Mark Dunlop, CFO
Hon. Jane Kim (Ex-Officio)

John Elberling
Jean-Paul Samaha, Secretary
V. Fei Tsen

Mirian Saez, Director of Island Operations
Loraine Lee, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. General Public Comment
This item is to allow members of the public to address the Treasure Island Development Authority Board ("Authority Board") on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held after each item on the agenda.
(Discussion Item)
Estimated Length of Item: 15 minutes
3. Reports
 - a. Report by Director of Island Operations
This item is to allow the Director of Island Operations to report on staff activities, leasing, health and public safety, utilities, budget, Quality of Life issues, social services, on-Island events and to make general announcements. (Discussion Item)
Estimated Length of Item: 15 minutes

b. Report by Treasure Island Director

This item is to allow the Treasure Island Director to report on the status of environmental remediation and coordination with the Department of the Navy, interactions with other City and State agencies, progress with Treasure Island Community Development in implementation of the Disposition and Development Agreement and related plans, and other activities related to the transfer and development of the former Naval Station Treasure Island. *(Discussion Item)*

Estimated Length of Item: 20 minutes

4. Communications From and Received by TIDA *(Discussion Item)*

Estimated Length of Item: 5 minutes

5. Ongoing Business by Board of Directors *(Discussion Item)*

Estimated Length of Item: 5 minutes

6. CONSENT AGENDA *(Action Items)*

Estimated Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board.

There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the Minutes of the May 14, 2014 Regular Meeting

b. Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2014 – 2015

c. Resolution Approving a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company, a California Corporation, Subject to the Approval of the City's Board of Supervisors

d. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for Fiscal Year 2014-2015

e. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2014 and Continuing on a Month to Month Basis but Ending No Later than June 30, 2015, in an amount not to exceed \$166,150

f. Resolution Authorizing the Director of Island Operations to Execute a Month to Month Professional Services Agreement with Rubicon Enterprises, Inc., to Provide Landscape Services Commencing on July 1, 2014 and Ending June 30, 2015 for an amount not to exceed \$61,540.83 per month and \$738,490 for 12 months.

g. Resolution Authorizing the Director of Island Operations to Execute a Grant Agreement with the Boys and Girls Clubs of San Francisco, a California Non-Profit Organization

7. Interim Utility Improvements Presentation *(Discussion Item)*

Estimated Length of Item: 20 minutes

8. Discussion of Future Agenda Items by Directors (*Discussion Item*)
Estimated Length of Item: 5 minutes
9. POSSIBLE CLOSED SESSION TO CONFER WITH REAL PROPERTY NEGOTIATORS

If approved by the Authority Board, this closed session will take place for approximately 30 minutes at the end of the meeting

- a. Public comment on all matters pertaining to closed session.
- b. Vote on whether to hold closed session to confer with legal counsel regarding all matters listed below as Conference with Legal Counsel. (Action item)

1.) CONFERENCE WITH REAL PROPERTY NEGOTIATORS-pursuant to Government Code Section 54956.8, and Administrative Code Section 67.8(a)(2) and 67.12(b)(1).

Persons negotiating for the Authority: Bob Beck

Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC, Treasure Island Homeless Development Initiative

Property: Former Naval Station Treasure Island

Under Negotiation:

Price: _____ Terms of payment: _____ Both: X

- c. Reconvene in open session (Action item)

1.) Possible report on action taken in closed session under Agenda Item 9 (Government Code Section 54957.1(a) (1) and San Francisco Administrative Code Section 67.12(a) and 67.12(b)(1)).

2.) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12(a)).

10. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 94130 during normal office hours.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the

Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org>

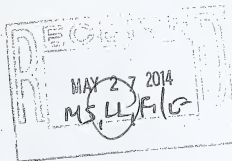
TIDA REVENUE AS OF 05/30/14

	As of	05/30/14	2014 Projected Revenue	Variance	Pct
TI JOINT VENTURE - WINE VALLEY		205,132	295,000	(89,868)	70%
TI SPECIAL EVENTS		274,095	218,850	55,245	125%
COMMERCIAL PAYMENTS		3,269,542	3,216,241	53,301	102%
FILM		24,000	30,000	(6,000)	80%
YBI CELLSITES/BANNER		222,487	297,720	(75,233)	75%
MARINA		86,150	90,000	(3,850)	96%
HOUSING CAM		391,935	479,472	(87,537)	82%
JOHN STEWART CO.		3,651,265	4,192,274	(541,009)	87%
		8,124,605	8,819,557	(694,952)	92%

A. ADMINISTRATION		TIDA Budget 13-14	Expenditures as of 5/30/14	Balance
TRAINING, CONFERENCES AND TRAVEL COSTS (02200)		\$20,300	8,580	\$11,720
EMPLOYEE FIELD EXPENSES (LOCAL FIELD EXPENSES) (02300)		\$2,000	-	\$2,000
MEMBERSHIP FEES (02400)		\$6,700	20,278	-\$13,578
PROMOTIONAL AND MARKETING EXPENSE (02500)		\$35,000	9,926	\$25,074
PROFESSIONAL & SPECIALIZED SERVICES (02700)		-	-	-
HDI - OPERATING CONTRACT		\$171,000	142,092	\$28,908
b. TREASURE ISLAND BOYS & GIRLS CLUB HOUSE		\$146,990	25,567	\$121,423
c. TI GYM OPERATIONS YMCA		\$146,775	152,226	-\$5,451
d. OTHER PROFESSIONAL SERVICES (02799)		\$45,000	42,988	\$2,012
e. REDEVELOPMENT PROFESSIONAL SERVICES (02799)		\$695,000	561,875	\$133,125
TOTAL ADMINISTRATION		\$1,268,765	\$963,532	\$305,233
PROFESSIONAL & SPECIALIZED SERVICES (2800)				
1. MAINTENANCE SERVICES - BUILDINGS				
A. SCAVENGER SERVICES (Trash Disposal)		\$31,250	24,386	\$6,864
B. JANITORIAL SERVICES (TOOLWORKS)		\$130,000	114,900	\$15,100
C. PEST CONTROL (02803)		\$5,000	2,275	\$2,725
D. GROUNDS MAINTENANCE (RUBICON) (02801)		\$705,000	646,250	\$58,750
E. MAINTENANCE SERVICES (BUILDING) (02899)		\$100,000	-	\$100,000
F. MAINTENANCE SERVICES (FACILITY) (02800)		\$150,000	-	\$150,000
F. MISC. FACILITY (PUBLIC ART HISTORICAL PRESERVATION) (03031)		\$20,000	7,860	\$12,140
2. RENTS & LEASES - EQUIPMENT (03100-03599)		\$50,000	29,010	\$20,990
3. MATERIALS & SUPPLIES (04000)		\$25,000	13,017	\$11,983
4. OTHER MATERIAL AND SUPPLIES - PUBLIC SAFETY (04599)		\$25,000	4,170	\$20,830
TOTAL PROFESSIONAL & SPECIALIZED SERVICES		\$1,241,250	\$841,868	\$399,382
CITY DEPARTMENT WORK-ORDERS				
GENERAL SERVICES AGENCY (081CA)		\$2,164,368	1,113,558	\$1,050,810
RISK MANAGEMENT SERVICES (OPERATIONS AND REDEVELOPMENT INSURANCE) (081CB)		\$186,500	96,117	\$90,383
TIS-IDS SERVICES (081CI)		\$26,181	21,817	\$4,364
GF- CITY ATTORNEY - LEGAL SERVICES		\$996,558	474,916	\$521,642
TIS-IDS SERVICES (081CS)		\$487	412	\$76
GF- TIS TELEPHONE SERVICES (081ET)		\$13,892	6,817	\$7,075
GF - FIRE (081FC)		\$103,000	9,500	\$93,500
HR - MANAGEMENT TRAINING		\$4,740	-	\$4,740
RCH-CENTRAL SHOPS-AUTO MAINT (AAO) (081PA)		\$11,660	7,085	\$4,575
RCH-CENTRAL SHOPS-FUEL STOCK (AAO) (081PF)		\$3,887	1,737	\$2,150
GF - PARKING & TRAFFIC (081PK)		\$25,000	9,414	\$15,586
IS-PURCH-REPRODUCTION (AAO) (081PR)		\$6,000	758	\$5,242
GF - POLICE SECURITY (SFPD) (081SP)		\$80,087	69,011	\$11,076
GF-PUC- (AAO) (\$880,720 Utility and capital investment , \$150,000 Generators, \$200,000 MOU)		\$1,074,661	724,058	\$350,603
SR-DPW-BUILDING REPAIR (081WB)		\$849,835	864,391	-\$14,556
SR-DPW-BUREAU OF STREET ENVIRONMENTAL SERVICES (081WC)		\$154,063	140,133	\$13,930
SR-DPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES (081WR)		\$180,681	(53,554)	\$234,235
SR-DPW-BUREAU OF URBAN FORESTRY SERVICES (081WU)		\$305,902	290,401	\$15,501
ADM - REAL ESTATE SPECIAL SERVICES (DEPT. OF REAL ESTATE- FACILITIES MGMT) (081WE)		\$32,040	8,766	\$23,274
HUMAN SERVICES AGENCY (081SS)		\$40,000	26,070	\$13,930
DEPARTMENT OF PUBLIC HEALTH (081HP)		\$50,000	17,967	\$32,033
TOTAL CITY DEPARTMENT WORK-ORDERS		\$6,309,542	\$3,829,374	\$2,480,168
TOTAL OPERATIONS EXPENDITURES		\$8,819,557	\$5,634,774	\$3,184,783

REVENUES LESS EXPENDITURES AS OF 05/30/14

\$2,489,831



MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Suzanne Wood, Edison Capital Jack Gardner, JSCo Dan Stone, JSCo
John Stewart, JSCo Loren Sanborn, JSCo Connie Le, JSCo
Sonya Rosenbach, JSCo Lynny Lee, JSCo

From: Jeffrey Kohler

Date: May 09, 2014

Subject: Percentage Rent for Treasure Island Housing Project Sublease for Apr 2014

Enclosed is our payment of Percentage Rent in the amount of \$340,090 for the Apr 2014 period, calculated per the sublease agreement. As a proactive management measure, please note that due to the higher vacancy loss that we have and are projecting to experience due to the pending resident relocations as a result of the Navy's take back of residential units, we are temporarily suspending the 2010 audit disbursement reduction (this is the recouping of 1/36th of prior year audit adjustments outlined in the 2010 Audit). We are projecting for the audit disbursement reductions to resume with the 2014/2015 budget operating cycle. It is important to note that we have made significant progress on this repayment plan since, as of the date of this memo, we has recouped 18/36th (50%) of prior year audit adjustment.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of Apr 2014, actual Total Revenues were about 3.54% below budgeted Total Revenues. Total expenses for Apr 2014 were approximately 7.70% below budgeted for the month. The result was that Funds Available for Apr 2014 Distribution were \$357,990 or about 4.29% above budgeted amounts.

Calculation of Percentage Rent

Based on operations, a total of \$357,990 in adjusted Gross Revenues after costs of operations are available for distribution for the Apr 2014 period. These revenues are distributed as follows:

<u>Apr 2014 Distributions</u>	<u>Apr 2014 Actual</u>	<u>Apr 2014 Budgeted</u>
Available for Distribution	\$357,990	\$343,275
Percentage rent for TIDA	\$340,090	\$326,095
Repay Prior overpayment (1/36 th total per period)		
Net Disbursed as percentage rent to TIDA	\$340,090	\$326,095
Percentage rent for JSCo	\$17,900	\$17,163

PAID
MAY 19 2014

BY:

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

Comparison to Budget		4/30/2014							
		April-14				YEAR TO DATE (T.I.D.A version)			
		Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Total Revenue		955,447	990,558	(35,111)	-3.54%	10,264,042	9,905,599	358,443	3.62%
Marketing Expenses		3,332	8,727	(5,395)	-61.82%	39,328	87,288	(47,960)	-54.94%
Administrative Expenses		77,013	97,953	(20,940)	-21.38%	749,660	979,580	(229,920)	-23.47%
Utilities		125,804	151,569	(25,765)	-17.00%	1,440,320	1,515,696	(75,376)	-4.97%
Operating and Maintenance		250,884	200,029	50,855	25.42%	2,179,624	2,000,378	179,246	8.96%
Taxes and Insurance		35,446	39,097	(3,651)	-9.34%	876,416	391,006	485,410	124.14%
% Rent		52,734	51,682	1,052	2.03%	517,877	516,827	1,050	0.20%
Reserves		-	11,560	(11,560)	-100.00%	34,217	115,600	(81,383)	-70.40%
Replacement (excl. anticipated draw)		52,245	86,666	(34,421)	-39.72%	506,367	866,668	(360,301)	-41.57%
Total Expenses		597,457	647,283	(49,826)	-7.70%	6,343,808	6,473,043	(129,235)	-2.00%
Available for Distribution		357,990	343,275	14,715	4.29%	3,920,233	3,432,556	487,677	14.21%
Available for Distribution		357,990	343,275	14,715	4.29%	3,920,233	3,432,556	487,677	14.21%
TIDA		340,090	326,095	13,979	4.29%	3,724,221	3,260,960	463,263	14.21%
USCo		17,900	17,163	736	4.29%	196,012	171,630	24,384	14.21%

Stop payback till further instruction start from Jan 2014

340,090.00

TIDA % Rent Payback
Net Disbursed as percentage rent to TIDA

Apr 2014 Operations for Treasure Island Project

	Draw 171	Draw 172	Draw 173	Draw 174	Draw 175	Draw 176	Draw 177	Draw 178	Draw 179	Draw 180	Draw 181	Draw 182	Draw 183	Average 13 months
Units ready for occupancy at beginning of month	578	578	578	578	578	578	578	578	578	578	578	578	578	
Units Leased and Occupied during month	446	447	445	445	453	453	453	455	454	450	447	454	452	
Aggregate Units Leased and Occupied during month	1,024	1,025	1,023	1,023	1,031	1,031	1,031	1,033	1,032	1,028	1,025	1,032	1,030	
Average Unit Rent	446	447	445	445	453	453	453	455	454	450	447	454	452	
REVENUE FROM OPERATIONS														
Total Gross Rent Potential	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	(124,009)	
Adjustment for Move-In Timing	(194,051)	(187,778)	(181,433)	(172,032)	(160,597)	(161,597)	(150,399)	(152,679)	(181,549)	(202,715)	(195,266)	(211,982)	(211,982)	
Other Credit Revenue	180	180	186	206	213	216	212	231	176	195	228	223	223	
6210 Advertising/Marketing	683	459	681	503	597	-	-	1,189	5,500	-	-	-	-	
6220 Credit Reports	893	459	681	503	597	-	893	144	110	25	188	327	-	
6227 Model Unit Office	-	-	-	-	-	-	-	-	-	-	-	-	-	
6310 Office Salaries	25,984	16,515	15,863	16,389	16,346	16,978	16,974	16,220	19,498	17,588	19,612	17,383	18,055	
6315 Furniture/Lease	3,220	5,373	4,164	3,356	3,960	2,130	4,036	3,933	3,419	2,532	4,481	6,624	3,069	
6320 Management Fee	28,846	27,989	29,805	26,773	28,528	28,736	29,428	29,154	29,212	29,260	31,152	29,974	29,114	
6325 Temporary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
6330 Manager/Supervisor	6,594	6,813	6,594	6,813	6,594	6,594	6,813	6,594	6,881	7,494	6,789	7,694	7,753	
6331 Staff Units	2,887	2,887	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	
6340 Legal Expenses	2,043	8,687	1,775	7,889	3,820	2,479	6,674	2,651	4,866	956	6,059	4,543	1,846	
6350 Audit/Fair/Bookkeeping	2,300	1,974	-	-	-	-	-	-	-	-	-	-	-	
6351 Telephone	3,851	1,380	1,419	1,380	1,380	1,448	1,448	1,405	1,720	998	1,672	1,312	1,310	
6352 Postage/Post Office	3,003	1,885	1,805	3,012	1,456	3,012	1,456	3,012	2,771	-	4,387	-	-	
6353 Mailage/Travel	518	182	182	50	1,083	131	378	131	378	2,385	1,473	2,400	2,400	
6356 Vehicle Lease & Insurance	-	-	-	230	683	100	203	1,032	665	376	188	261	261	
6352 Seminars/Training	-	-	-	-	-	25	-	-	-	-	1,800	-	-	
6358 Computer Charges	195	2,353	188	175	200	134	300	615	4,375	21,207	2,210	5,075	11,082	
6358 Remediation Expense	4,650	1,253	-	-	-	-	6,993	15,094	(5,492)	-	1,943	-	-	
Subtotal: Administrative Expenses	86,201	76,075	83,355	65,307	69,308	74,474	83,552	85,552	83,815	77,550	90,258	80,345	80,345	
6450 Subtotal: Utilities	138,057	137,436	140,539	145,520	148,101	148,101	147,778	146,810	148,810	145,842	144,228	141,325	125,804	
6559 New CAM Charge	28,242	28,242	29,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	
6515 Janitorial Supplies	270	2,150	1,445	835	835	-	570	392	-	814	1,036	-	-	
6517 Contract Cleaning	1,770	1,040	1,160	1,370	2,665	1,370	2,030	600	150	1,610	520	410	470	
6518 Pest Control	4,110	3,825	5,325	4,075	1,950	1,445	1,445	1,725	1,050	2,200	3,260	2,760	2,760	
6519 Maintenance Rent Free Unit	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	1,869	
6520 Subtotal: Maintenance	17,168	19,761	20,718	19,540	19,540	19,540	19,540	19,540	19,540	19,540	19,540	19,540	19,540	
6520 Security Contract	37,774	44,761	20,718	40,980	42,995	22,717	24,518	46,835	42,408	24,022	30,307	25,466	35,413	
6523 Security Supplies	155	2,953	7,784	2,340	2,340	8,719	627	9,946	443	2,095	1,286	366	366	
6533 Fire Alarm Expenses	-	8,900	4,346	7,447	47,738	42,487	46,794	45,047	47,597	39,097	55,097	39,597	40,357	
6537 Grounds Contract	38,163	48,760	49,013	39,097	50,738	42,487	46,794	45,047	47,597	39,097	55,097	39,597	40,357	
6539 YSI Maintenance Payroll	19,084	19,704	18,524	19,271	18,524	18,704	21,230	19,088	18,742	16,739	20,497	18,935	18,935	
6510 Maintenance Payroll	7,009	27,798	22,242	33,829	11,332	17,952	12,698	19,349	12,944	11,163	15,739	25,097	15,739	
6541 Repairs Material	-	-	-	-	-	-	-	-	-	-	-	-	-	

Apr 2014 Operations for Treasure Island Project

[illegible]

Apr 2014 Operations for Treasure Island Project

[illegible]



TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Treasure Island Development Authority Board of Directors
From: Mirian Saez, Director of Island Operations
Date: May 30, 2014
Re: Use Permit and Film Permit Waivers

The following waivers were granted for the month of May 2014.

Fee Waivers:

- United States Army , Ceremony, May 21, 2014
- Delancey Street, BBQ, May 26, 2014
- United States Navy, Open House. May 30 and 31, 2014
- SFMTA/Muni, Training, May 26-30, 2014

**Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of May 30, 2014**

Location / Facility	No.	Status (new / expired)	Company Name / Prospective Subtenant	Start Date	Leasehold Type	Sq. Ft.	Monthly Rent
Building 264	829	New	Open Garden, Inc.	3/1/14	Office/Storage	PA:3,950 PB: 715	\$13,800.00
Land at N and 3rd	836	New	Ton's Drywall, Inc.	5/15/14	Storage	25,000	\$39,600.00
Avenue H between 11 th and 13th	P-835	New	Rude Brand, Inc.	5/24/2014	Road Closure	N/A	\$500.00
Eucalyptus Lot	P-837	New	PG&E, Inc.	6/2/14	Training	N/A	\$1,500.00
Great Lawn, Eucalyptu Lot	P-838	New	Pacific Sound, Inc.	6/14/14	Event	N/A	\$5,000.00
Great Lawn	P-841	New	Joe Bryan, an individual	6/21/14	Event	N/A	\$2,500.00
Fogwatch Picnic Area	E-35	New	Sol Rouge, LLC	10/4/14	Event	N/A	\$500.00
Casa De La Vista	E-36	New	Family Support Services of the Bay Area, Inc.	11/15/14	Event	N/A	\$4,500.00
Chapel	E-37	New	Benchmark Destinations	5/7/14	Event	N/A	\$500.00
Casa De La Vista	E-38	New	Mary Sarmiento, an individual	8/9/14	Event	N/A	\$4,500.00
Fogwatch Picnic Area	E-39	New	Paul Chang, an individual	9/27/14	Event	N/A	\$500.00
Fogwatch Picnic Area	E-40	New	William Riesman, an individual	9/19/14	Event	N/A	\$500.00



May 2014 Treasure Island Crime Statistics
on behalf of Captain William Rouldez, Southern Station



Incident #	Incident Type	Date	Address	Additional Info
140374058	BATTERY	5/6/2014	1126 REEVES CT	DV (secondary)
140385287	SUSPICIOUS OCCURRENCE	5/6/2014	1135 MASON CT	Suspicious phone call
140392420	MALICIOUS MISCHIEF	5/10/2014	850 AVENUE H / PARKING LOT	BLX MAZDA SHATTERED BACK WINDOW
140392470	THEFT, FROM LOCKED VEHICLE	5/10/2014	850 AVENUE H / PARKING LOT	LOSS: COMPUTER BAG
140392486	THEFT, FROM LOCKED VEHICLE	5/10/2014	850 AVENUE H / PARKING LOT	LOSS: COACH PURSE, WALLET CREDIT CARDS, SUN GLASSES
140394034	THEFT, FROM LOCKED VEHICLE	5/10/2014	200 CALIFORNIA AVE	LOSS: MICHAEL KORS PURSE, CASH (\$700) CREDIT CARD, CHECKBOOK
140394391	THEFT, FROM UNLOCKED VEHICLE, ATT.	5/11/2014	1440 GATEVIEW CT, APT# F	DAMAGE TO CAR WINDOW
140399432	MARIJUANA OFFENSE	5/12/2014	655 AVENUE H BUILDING 369	Two snack size baggies containing suspected marijuana
140403362	MALICIOUS MISCHIEF, VANDALISM TO PROPERTY DOMESTIC VIOLENCE	5/14/2014	1411 FLOUNDER CT	Past history of domestic violence
140405158	PROBATION SEARCH BATTERY, OF A POLICE OFFICER	5/14/2014	1397 GATEVIEW AVE	PROBATION SEARCH ON SUSPECT'S SON
140405233	THEFT, FROM LOCKED VEHICLE	5/14/2014	350 AVENUE M / AVENUE N / STREET	LOSS: LENOVO LAPTOP, BRIEFCASE PASSPORT, IPAD, SCHOOL BOOKS
140406827	FOUND PROPERTY	5/15/2014	1215 BAYSIDE DR	IPHONE
140410505	BATTERY	5/2/2014	1131 MASON CT	Reported 5/16/2014 at Work Link. Both Victims and Suspects are room mates and are all special needs clients assigned by Social Vocational Services to live at 1131 MASON CT
11672	MALICIOUS MISCHIEF VANDALISM TO VEHICLE	5/17/2014	401 CALIFORNIA AVE / PARKING LOT	Happened at the OASIS Club parking
1404127015	THEFT, FROM LOCKED VEHICLE	5/17/2014	1 AVENUE OF THE PALMS	Loss: ACER laptop, MacBook Pro, iPad, Timbuk2 bag
140412896	THEFT, FROM LOCKED VEHICLE	5/17/2014	850 AVENUE M / 11TH ST / Parking Lot	Loss: Purse, Jacket
140412937	THEFT, FROM LOCKED VEHICLE	5/17/2014	851 AVENUE M / 11TH ST / Parking Lot	Loss: Hadbag, Clothing, Wallet, ID
140414416	TRESPASSING	5/17/2014	1402 STURGEON ST	Trespassing at a vacant apt. Neighbor called 911 when she heard noises. (S) are juveniles. Parents were notified.
140414701	BATTERY	5/18/2014	1431 HALIBUT CT	(W) came from the club with (S), she is staying w/ (V) (S) wants to "hang out" longer with (W). (W) said no, (V) said no, (S) came up the porch steps and pushed (V). No injuries.
140415533	THEFT, FROM LOCKED VEHICLE	5/18/2014	550 AVENUE H	Loss: Laptop bag, Passport, wall, Birth Certificate, Misc Papers
140416650	FRAUDULENT USE OF AUTOMATED TELLER CARD	5/18/2014	1227 NORTHPOINT DR.	Loss: \$300.00 debit charge over the internet
140418424	THEFT, FROM LOCKED VEHICLE	5/19/2014	800 AVENUE H / PARKING LOT	Loss: Wallet, CDL, Debit card, \$ 900, Police ID card
140433977	Vehicle, Stolen, Truck	5/24/2014	400 CALIFORNIA AVE	Loss: 05, ZZ trailer, Van, WHI,
140442611	MISSING ADULT	5/25/2014	1445 CHINOOK CT	Missing: W/M/S'10/235/blonde/blue left drug program. Reportee is from Alabama.
140445615	VIOLATION OF RESTRAINING ORDER	5/28/2014	1135 MASON CT	Phone Call
140454973	MISSING JUVENILE / RUNAWAY	5/31/2014	1443 CHINOOK CT	MISSING: W/F/S'4/120/BROWN/HAZEL/17 YRS OLD FLED ON CAR WITH BOYFRIEND FROM MODESTO
140455244	MALICIOUS MISCHIEF, VANDALISM TO PROPERTY	5/31/2014	1116 HUTCHINS CT	(S) is victim's step father. Suspect broke down the front dOor, came in and left. Suspect does not live in the apartment.
BURGLARY:				
THEFT, FROM LOCKED VEHICLE:				7
TRESPASSING:				1
BATTERY:				4

TI01 - TI Case Summary

Open

CASE ID	OPEN DT	CATEGORY	TYPE	LOCATION	OTHER DESCRIPTION	AGENCY
2825033	9/13/2013 2:37:10 PM			Intersection of CHINOOK CT and	Chinook (treasure island) --- The street cleaner came but did not do the street the customer lives. Customer said this happens very often. It looks really bad. We did not use 'missed route' service request because technically cleaner was there, just did not clean.	DPW BSES
3084128	11/20/2013 8:56:59 AM	Street Defects	Pavement_Defect	Intersection of TREASURE ISLAND		DPW BSSR
3128730	12/4/2013 3:27:03 AM	Streetslights	Streetlight - Light Burnt Out	1408 STURGEON ST, SAN FRANCISCO, CA, 94130	Light out	PUC Power
3128734	12/4/2013 4:00:36 AM	Sign Repair	Sign - Missing	Intersection of EXPOSITION DR and GATEVIEW AVE	Missing Signage	SSD - Field Operations
3128735	12/4/2013 4:05:54 AM	Sign Repair	Sign - Missing	Intersection of 13TH TI ST and EXPOSITION DR		SSD - Field Operations
3211289	12/28/2013 11:25:05 PM	Streetslights	Streetlight - Light Burnt Out	AVENUE H	Pole Number 3 A 40	PUC Power
3355275	2/10/2014 3:32:52 PM	Streetslights	Streetlight - Light Burnt Out	Intersection of MACALLA RD and YERBA BUENA RD	No power to light. Danger to public	PUC Power
3361281	2/12/2014 12:50:40 PM	Streetslights	Streetlight - Light_On_all_the_time	1303 GATEVIEW AVE, SAN FRANCISCO, CA, 94130	1303 Gateview ave --- strange device attached to the light pole	PUC Power
3418782	3/3/2014 11:52:33 AM	Streetslights	Streetlight - Light Burnt Out	1401 STURGEON ST, SAN FRANCISCO, CA, 94130	1401 Sturgeon ---	PUC Power
3564381	4/18/2014 10:43:19 AM	Street Defects	Pavement_Defect	Intersection of MACALLA RD and	2 very dead and large broken tree limbs,,waiting to fall on below roadway and probably damage cars and/ kill someone.	DPW BSSR
3612259	5/5/2014 6:22:43 AM	Tree Maintenance	Trees - Damaged_Tree	Intersection of NIMITZ LN and	Also 2 blown down Gum trees that probably also should be ,,obvious hazard removed. Thank you!	DPW BSES BUF Graffiti

3617956

5/6/2014 2:05:48 PM Sidewalk or Curb

sidewalk_other

Intersection of 12TH TI ST and
AVENUE BFence rusted collapsed and a tripping TIDA
tetanus hazard

The fence at Gateview and west side
on Treasure Island has collapsed
months ago it has sharp rusty edges
and fence with ice plant growing
around it plus it curves upward about
1-1/2 feet so people trip on it ... It's
right next to the bike path entrance

Closed

CASE ID	OPEN ID	CATEGORY	TYPE	LOCATION	OTHER DESCRIPTION	AGENCY
3602878	5/1/2014 11:58:37 AM	MUNI Feedback	MUNI - Services_Service_Delivery_ Facilities	Intersection of GATEVIEW AVE and NORTHPOINT DR		FIT - Muni Customer Service
3610396	5/4/2014 8:03:08 AM	MUNI Feedback	MUNI - Conduct_Inattentiveness_N evidence	Intersection of MACALLA RD and TREASURE ISLAND RD		FIT - Muni Customer Service
3617931	5/6/2014 1:58:19 PM	Sidewalk or Curb	Sidewalk_Defect	Intersection of 9TH TI ST and	Bike path has a 2x3 foot area where	DPW BSM


CITY & COUNTY OF SAN FRANCISCO



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0860 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

To: Treasure Island Development Authority Board of Directors
From: Peter Summerville 
Date: June 2, 2014
Re: Treasure Island Power Outages – May 2014
Cc: Mirian Saez, Director of Island Operations

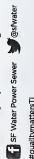
- On Wednesday May 28th at approximately 9:00 PM Treasure Island experienced a power outage. San Francisco Public Utilities Commission dispatched repair crews and issued an RSAN Utility Outage Alert. SF311 created a Temporary Event and issued an AlertSF public notification. Power was restored to Treasure Island at approximately 10:30 PM. The cause was identified as a goose that flew into on-island ariel lines .





**Hetch Hetchy
Regional Water System**
Serving the Central Valley
P.O. Box 7389
San Francisco, CA 94120-7389

Hetch Hetchy Top Water—too good to waste.



Call 311 to report a water problem.

Este importante contenido informacion muy importante sobre su agua potable traducido a Chino con el fin de que los chinos puedan leerlo.

此份水質報告，內容重要，請您及家人務必閱讀和保存。

California is in a drought. All customers are requested to voluntarily reduce water use by 10%. For details, sluwater.org/conservation.html

Quality Matters.

Annual Water Quality Report 2013

This information contains material that is confidential under the California Public Information Act. It is exempt from release under the public information act.

此份水質報告，內容重要，請您及家人務必閱讀和保存。



**Hetch Hetchy
Regional Water System**
Serving the Central Valley

San Francisco Public Utilities Commission

WINE COUNTY Water and sewer services are provided to customers in Wine County by the City of San Francisco.
ALBANY Water and sewer services are provided to customers in Albany by the City of San Francisco.
ALBUQUERQUE Water and sewer services are provided to customers in Albuquerque by the City of San Francisco.
ALBUQUERQUE Water and sewer services are provided to customers in Albuquerque by the City of San Francisco.
ALBUQUERQUE Water and sewer services are provided to customers in Albuquerque by the City of San Francisco.

Our Drinking Water Sources and Treatment

The source of drinking water (both tap water and bottled water) inside rivers, lakes, oceans, streams, ponds, reservoirs, springs, and wells.

For our system, the major water source originates from spring snowmelt runoff from the Sierra Nevada mountains in the Hetch Hetchy Reservoir. Our primary water source is the Hetch Hetchy Reservoir. The United States Environmental Protection Agency (USEPA) and California Department of Public Health (CDPH) so that no filtration is required. Water treatment is required to remove any dissolved light and chlorine, pH adjustment for corrosion control, and disinfection byproducts, and chlorination for maintaining disinfectant residual and minimizing disinfection byproduct formation, are in place to meet the drinking water regulatory requirements.

Hetch Hetchy water is supplemented with surface water from two local watersheds. Rainfall and runoff from the 36,000-acre Alameda Watershed (Alameda and Santa Clara counties) are collected in the Clara Valley Water Treatment Plant. Rainfall and runoff from the 23,000-acre Peninsula Watershed in San Mateo County are stored in the Crystal Springs, San Andreas, and Placeros reservoirs, and are filtered and disinfected at the Hetch Hetchy Water Treatment Plant.

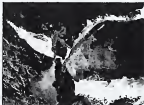
As in the past, the Hetch Hetchy Watershed provided the majority of our total water supply, with the remainder contributed by the two local watersheds in 2013.

Water Quality

Our Water Quality Division (WQD) regularly collects and tests water samples from reservoirs and designated sampling points throughout the system to ensure that the water meets the highest quality standards. In 2013, WQD staff conducted more than 16,500 drinking water tests in the transmission and distribution systems. This is in addition to the extensive treatment process control monitoring performed by our certified operators and utility instrumentations.

As water travels over the surface of the land or through the ground, it dissolves various substances. These substances can be up substances resulting from the presence of animals or from human activity. Such substances are called contaminants.

Drinking water, including bottled water, may reasonably be expected to contain at least a small amount of these substances. The presence of contaminants does not necessarily indicate that water poses a health risk. In order to ensure that tap water is safe to drink, the USEPA and CDPH prescribe a series of treatment processes for public water systems. CDPH regulations also establish limits for contaminants in bottled water that provide the same protection for public health.



Protecting Our Watersheds

An annual Hetch Hetchy Watershed Survey is conducted to assess the sanitary condition of the watershed. The survey is conducted by the Hetch Hetchy Watershed Survey team, which includes representatives from the Hetch Hetchy Water Treatment Plant, the Clara Valley Water Treatment Plant, and the Peninsula Water Treatment Plant.

We also conduct a water quality survey to assess the water quality in the watershed. The survey is conducted by the Hetch Hetchy Water Quality Division, which includes representatives from the Hetch Hetchy Water Treatment Plant, the Clara Valley Water Treatment Plant, and the Peninsula Water Treatment Plant.

Special Health Needs

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons, such as those with cancer, kidney disease, and liver disease, are more vulnerable to contaminants in drinking water. People with HIV/AIDS or other immune system disorders, some elderly people, and infants, can be particularly at risk from water disinfection byproducts. People who are pregnant should consult their health care provider about drinking water from their health care provider. Some people who are taking medication should consult their health care provider about drinking water from their health care provider. Some people who are taking medication should consult their health care provider about drinking water from their health care provider.

Fluoridation and Dental Fluorosis

Monitored by State law, water fluoridation is a widely accepted practice proven to be safe and effective for preventing and controlling tooth decay. Our water is optimally fluoridated at 1.0 milligram per liter. Infants fed formula mixed with water containing fluoride at the optimal level may have an increased chance of developing dental fluorosis, a condition that causes white spots on the teeth. As with all very mild fluorosis, and are often only visible under a microscope. Even in cases where the marks are visible, they do not pose any health risk. CDPH considers it safe to use optimally fluoridated water for preparing infant formula. If you are concerned about dental fluorosis, you may want to use bottled water to prepare infant formula. You may also want to use bottled water to prepare infant formula. You may also want to use bottled water to prepare infant formula. You may also want to use bottled water to prepare infant formula.

For more information, visit the Hetch Hetchy website at www.hetchhetchy.org or call 311.

Contaminants and Regulations

Contaminants that may be present in source water include:

- Heavy metals, such as arsenic and barium, that may come from natural sources, such as deep-sea vents, agricultural runoff, and waste.
- Inorganic contaminants, such as salts and nitrates, that can be naturally occurring or come from agricultural runoff, industrial wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential use.
- Organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- Microorganisms, which are naturally occurring or the result of oil and gas production, and mining activities.

More information about contaminants and potential health effects can be obtained by visiting the USEPA's Safe Drinking Water Hotline 800-426-4791, or at www.epa.gov/sfw/edw/leac.

Unregulated Contaminant Monitoring Rule

In May 2012, USEPA published the third Unregulated Contaminant Monitoring Rule (UCMR3) to help determine if drinking water standards need to be developed and enforced for contaminants suspected to be present in drinking water. The rule requires public water suppliers between 2013 and 2015, USEPA and completed four cycles of UCMR3 monitoring in 2013. Only 5 of the 28 contaminants were detected at very low levels as reported in the following table. In the absence of identifiable industrial sources, other than chlorate, these contaminants are not expected to be produced by the water treatment process. The product of the disinfectant used by the SFWAC for water disinfection, and a common contaminant found in water treatment facilities throughout the nation.

UCMR3 Sampling Results

DETECTED CONTAMINANTS	Unit	MCCL (ppb)	Range or Percentile	Average
Chlorate	ppb	50 (NA)	307-270	150
Chloroform	ppb	50	<0.2-0.35	<0.2
Chloroform	ppb	100	<0.03-0.15	0.09
Stenotomium	ppb	NA	15-170	74
Vanadium	ppb	50 (NA)	<0.2-0.48	<0.2

NA indicates a value not found in this sample. *This table was calculated by USEPA. Use as a guide only. *ppb has replaced a MCCL of 10 ppb for chlorate.

Key Water Quality Terms

Following are definitions of key terms relating to drinking water and public water quality for the different data tables:

Public Water: Any public water supply system that is connected to a public water supply system. Public water supply systems are regulated by the California Environmental Protection Agency (CalEPA) and the U.S. Environmental Protection Agency (USEPA). The term "public water supply system" includes any system that regularly serves at least 15 connections or regularly serves at least 15 people or regularly serves at least 15 acres of land.

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. MCLs are set by the U.S. Environmental Protection Agency (USEPA) and the California Environmental Protection Agency (CalEPA). MCLs are set to protect public health and the environment. MCLs are set for a wide range of contaminants, including inorganic chemicals, organic chemicals, and microorganisms. MCLs are set for a wide range of contaminants, including inorganic chemicals, organic chemicals, and microorganisms. MCLs are set for a wide range of contaminants, including inorganic chemicals, organic chemicals, and microorganisms.

Reducing Lead from Plumbing Fixtures

Lead in drinking water is primarily from pipes, faucets, and components associated with service lines and home hardware. There are no known lead in the water distribution system. We are responsible for providing high quality drinking water, but cannot control the quality of materials used in plumbing components. It is important to know that your home may be larger than at other sources because plumbing materials used in your property.

In present, elevated levels of lead can cause serious health problems, especially for children. Children who are regularly exposed to lead can have learning and behavior problems. Infants and young children are especially vulnerable to lead in drinking water. Lead is more likely to leach from pipes, faucets, and other plumbing components than from the general population. When you turn on your faucet in the morning, you may notice a small amount of discolored water. This is a sign that lead is leaching from your plumbing. You can minimize the potential for lead exposure by flushing your tap for 30 seconds or 2 minutes before any water is used for drinking, cooking, or eating. This will help to flush out the water that has been in contact with lead in your pipes. You may also want to have your water tested. Additional information on lead in drinking water, including how to test for lead, is available on the USEPA's Safe Drinking Water Hotline 800-426-4791, or at www.epa.gov/sfw/edw/leac.



In addition to your water source protection efforts, we continue the following program to minimize customer exposure to lead in water:

- Offering, in partnership with the San Francisco Department of Public Health, a free lead test to customers for samples obtained in the Women, Infants and Children (WIC) program.
- Offering low-cost water tests for lead (\$25 per tap), to request a test, call 877-973-8287

Treasure Island / Yerba Buena Island - Water Quality Data for Year 2013

The table below lists all 2013 detected drinking water contaminants and the information about their typical sources. Contaminants below detection limits for reporting are not shown. For more information about the SFWAC's monitoring water for some contaminants such that their monitoring frequencies are less than annual.

DETECTED CONTAMINANTS		UNIT	MCCL (ppb)	PHYS. OR CHEM. OR BIOLOGICAL	RANGE OR LIMIT (ppb)	AVERAGE (ppb)	MAJOR SOURCES IN DOMESTIC WATER
USE THIS TABLE	Unfiltered (raw) water						
	Turbidity	NTU	5	N/A	5.2-13.3 ¹	13.3 ¹	Sediment
	Total Dissolved Solids (TDS)	mg/L	1,000	N/A	100-1,000	100	Sediment
	Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
	Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment
Unfiltered (raw) water							
Turbidity	NTU	5	N/A	5.2-13.3 ¹	13.3 ¹	Sediment	
Total Dissolved Solids (TDS)	mg/L	1,000	N/A	100-1,000	100	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water Treatment Plant (WTP))	mg/L	1.0	N/A	0.5-1.0	0.5	Sediment	
Fluoride (Water from local valley)	mg/L	1					

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG



May 27, 2014

Attn: Treasure Island & Yerba Buena Residents

Last week Treasure Island residents will have found a Notice hung on your door knob announcing a Navy Workshop this coming Saturday, May 31st, at the Casa de la Vista. I am writing to provide additional information on the Workshop and to encourage you to attend.

The Workshop is structured as an open-house to provide the greatest opportunity for direct interaction between residents and agency representatives. Poster boards and handouts will provide information on the planned radiological surveys of residences on Treasure Island and the historical use of radiological materials on the Island. Representatives of the Navy, their contractor, the California Department of Public Health and Department of Toxic Substances Control, the San Francisco Department of Public Health and the Treasure Island Development Authority will all be present to answer questions that you may have.

The Workshop on Saturday will not include a formal presentation, but will be structured as an open-house so that you may arrive at anytime between 10:00 AM and 3:00 PM and spend as much time as you like reviewing the posters and interacting with agency representatives.

The surveys of the residences are expected to begin in mid-June and continue through September. The Navy will be working with the Treasure Island Development Authority and your housing provider to schedule the surveys at your unit.

I hope that you will be able to join us on May 31st. In the meantime, if you have questions, you can call TIDA offices at 415-274-0660 or e-mail us at TIDA@sfgov.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Beck".

Robert Beck
Treasure Island Director

Sincerely,

A handwritten signature in blue ink, appearing to read "Mirian Saez".

Mirian Saez
Director of Operations

Treasure Island Community Workshop Residential Radiological Surveys

Hosted by: US Navy

**Saturday, May 31st
10:00am - 3:00pm**

**Treasure Island,
Casa de la Vista
Avenue of the Palms
btw California Ave
and Third Street**

The Navy will be hosting a workshop for residents of Treasure Island to provide information on the planned radiological surveys of residences. The surveys are expected to begin in mid-June and continue through September.

The workshop will not include a formal presentation, but will be structured as an open-house. Poster boards and handouts will provide information on the planned surveys, and residents will have the opportunity to interact with and ask questions of the Navy, the California Department of Public Health and Department of Toxic Substances Control, the San Francisco Department of Public Health and the Treasure Island Development Authority.

The workshop will be structured so that residents may drop in at anytime between 10:00 AM and 3:00 PM as your schedule allows.



FOR MORE INFORMATION:

For more information, or to
request accommodation for a
disability or interpretation,
please contact:

Kate Austin at the Treasure
Island Development Authority

Phone: 415-274-0646

E-mail: kate.austin@sfgov.org

At the information session:

- Light refreshments will be provided.
- This Casa de la Vista is wheelchair accessible. Assisted listening services will be provided if requested at least 72 hours in advance. (TTY: 554-6799)
- Interpretive services will be available with at least 72 hours of notice.
- The meeting location is serviced by the 108 MUNI line.



Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

Mr. Ernest Molins, Regional Environmental Officer
U.S. Department of Housing and Urban Development
San Francisco Regional Office – Region IX
600 Harrison Street
San Francisco, CA 94107-1387

Re: HUD-Funded Activities at Treasure Island and Possible Contamination; Response to Letter dated November 20, 2013

Dear Mr. Molins:

This letter is in response to your letter regarding media articles suggesting the existence of previously undiscovered contamination at Treasure Island and HUD-funded activities at Treasure Island.

The City and County of San Francisco wishes to emphasize that it takes these matters seriously. The health and safety of all of Treasure Island residents is of utmost importance, and the City is committed to ensuring that the Navy fulfills all of its cleanup obligations in a matter that is protective of human health and the environment.

Before the Treasure Island Development Authority ("TIDA") leased property from the Navy, the Navy issued a Finding of Suitability to Lease (a "FOSL") in accordance with federal law for each site. The FOSL did not mean that all remediation work had been completed, but did conclude that the property was suitable for leasing and occupancy, as appropriate, while remediation proceeded. The Navy and TIDA will be entering into a new lease for the residential area of Treasure Island before the end of 2014, and the Navy will prepare a new FOSL before the lease is executed considering all new information and reaffirming that leasing and occupancy may continue during remediation.

Since 1997, the Navy has remained actively engaged in remediation work at Treasure Island. The Navy's work has been conducted in accordance with processes established under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Working closely with the California Department of Toxic Substances Control ("DTSC"), the California Department of Public Health ("CDPH"), and the Regional Water Quality Control Board ("RWQCB"), TIDA and the City, including its Department of Public Health ("SFDPH"), will continue to review, examine and question all reports and analysis from the Navy and the regulatory agencies to ensure that the Navy fulfills its obligation to clean all contamination in accordance with applicable law.

The Navy has conducted extensive investigative work on Treasure Island to identify a wide range of contaminants of concern – hydrocarbons, PCBs, dioxins, lead, etc. The location and extent of these contaminants in the soil and groundwater of Treasure Island is well documented. The most recent report on the residential area, the Feasibility Study for Installation Restoration Site 12, was issued in draft form in October 2013 and finalized in March of 2014.

The Navy has also been conducting research into the historical use of radiological materials on Treasure Island and to identify potential areas of radiological contamination. This has included radiological surveys conducted by CDPH and the Navy of all roads, yards and open spaces in the residential areas of Treasure Island. In June/July, the Navy will issue a Supplemental Technical Memorandum to the 2006 Naval Station Treasure Island Historical Radiological Assessment for the Island summarizing radiological information gathered subsequent to the 2006 report and identifying where additional survey work is required.

The radiological findings referenced in the September 2013 CDPH memorandum and subsequent news reports were first identified in March 2013 and were promptly disclosed to residents (in a March 22, 2013 memo, and further discussed at an April 4, 2013 workshop with residents, TIDA, the Navy, and the regulators). CDPH concluded that these radiological findings did not pose a health risk to the public. Indeed, when transmitting the September 2013 memorandum to the SFDPH, CDPH stated "our findings don't indicate a current public health risk," but CDPH acknowledged that the Navy should continue its on-going survey work and investigations.

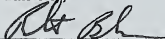
As part of this on-going work, the Navy announced on March 24, 2014 that they will be surveying the ground floor slabs of all of the residential buildings for any evidence of radiological materials beneath the buildings. Such material, if present beneath the buildings, would not necessarily present a health risk to residents of the building, but surveying for the material and removing it if and where it is located is part of the Navy's environmental responsibilities prior to transferring the island to the City. These surveys are planned to take place this summer.

Attached please find copies of letters and information that have been sent to all Treasure Island residents. Additional information on the Navy's cleanup program can be found on the Navy's website: http://www.bracpmo.navy.mil/brac_bases/california/former_ns_treasure_island.html, and at the Navy's information repository located at Navy BRAC Program Management Office, 1 Avenue of the Palms, Suite 161 (Treasure Island).

The California Department of Toxic Substances Control has assured residents of Treasure Island at public meetings that it has been and continues to be safe to live in the residential units on Treasure Island. City and TIDA staff continue to work with the regulatory agencies to ensure that appropriate protocols and protections remain in place, and to make sure that all investigatory and remediation work is completed as and when required by law. We are happy to meet with you and provide any additional information regarding the Navy's cleanup. Based on the exhaustive information to date, we believe that the properties leased to residents at Treasure Island continue to meet the health and safety requirements of 24 CFR 58.5(i)(2).

Please do not hesitate to contact Robert Beck, Treasure Island Development Director, at bob.beck@sfgov.org if you have any questions or want to set up a meeting with City and TIDA staff. You may also contact Keith Forman, the Navy's BRAC Environmental Coordinator for Treasure Island, at keith.s.forman@navy.mil, if you have additional questions about the Navy cleanup. Thank you for your attention in this matter.

Sincerely,



Robert Beck
Treasure Island Director
Treasure Island Development Authority



Olson Lee
Director
Mayor's Office of Housing

Naval Station Treasure Island

Resident Open House

**Welcome to the former Naval Station
Treasure Island Open House.**

**Subject matter experts are available at
each poster station to answer your
questions regarding the planned
radiological surveys of the leased
housing units.**

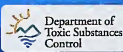


Our goal for this open house is to:



- Hear your concerns and comments and answer questions
- Share information and resources to help you to stay up-to-date
- Provide up-to-date project information and information on the historical radiological findings
- Provide an understanding of how the data will be evaluated
- Help you prepare for the survey of your home

Thank You for Supporting this Project



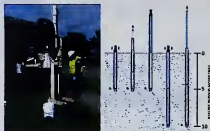
Naval Station Treasure Island

Site 12 Non-Radiological Sampling Fieldwork

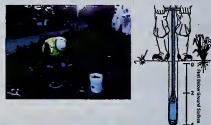
SOIL TRENCHING



DIRECT PUSH DRILLING



HAND AUGER SOIL SAMPLING



HORIZONTAL DRILL RIG



HORIZONTAL DRILLING EXAMPLES

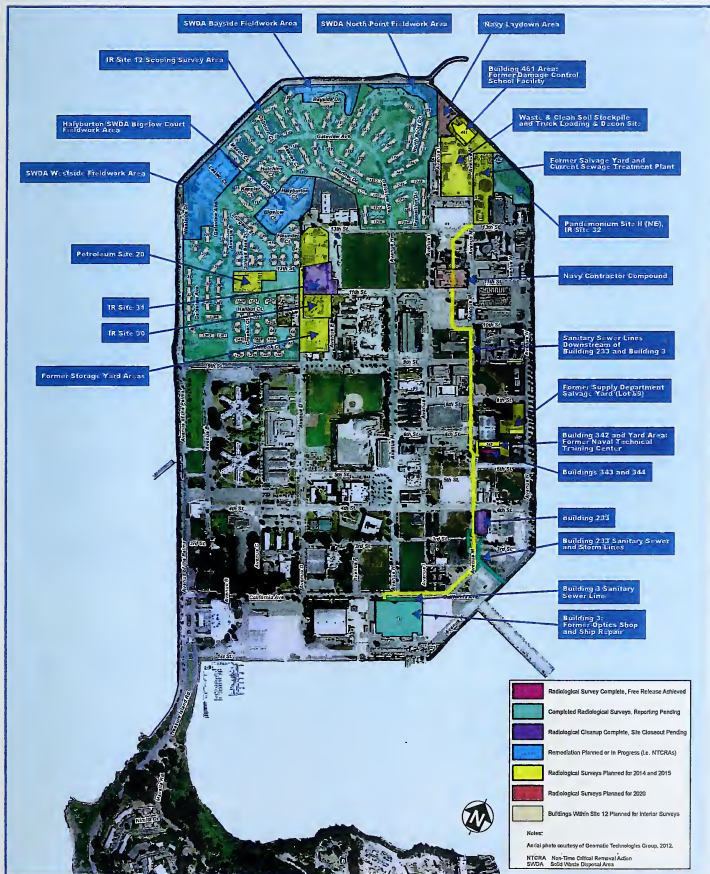


SOIL VAPOR SAMPLING



Naval Station Treasure Island

Radiological Program



Naval Station Treasure Island

Understanding Radiation

What is radiation?

- Radiation is energy given off by atoms
- You cannot see, smell or taste radiation
- Radiation is present all around us
- Everyone is exposed to radiation every day from natural sources and man-made sources like medical X-rays and smoke detectors

Rem is the dosage for the biological effects of ionizing radiation for humans. Rem is a standard measure of radiation. The millirem (mrem) which is one-thousandth of a rem, is a measure often used to approximate dosages commonly encountered, such as those depicted on the right.

People in the United States receive an average of 624 millirems (mrem) of radiation per year from man-made and natural background radiation sources (NCRP 160).

NRC Standard for Public Health
100 mrem (annual)*



NRC standard for cleanup sites
25 mrem (annual)*



EPA standard for cleanup sites
15 mrem (annual)*



Navy and CDPH Action Level for further analysis
10 mrem (annual)*



150

100

50

25

Known Carcinogens

While not shown here, radiation from smoking and overexposure to the sun have been proven to have health risks.



Diagnostic radiology
50 mrem (annual)



Normal cosmic radiation in Denver
50 mrem (annual)



Natural radioactivity in the body
40 mrem (annual)



Mammogram
30 mrem (single procedure)



Normal cosmic radiation at Treasure Island (Sea level)
24 mrem (annual)



Building Materials
7 mrem (annual)

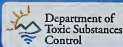


Round trip flight from LA to NYC
3.7 mrem (per trip)



Smoke detector
<.001 mrem (annual)

*Indicates dose level above background



Sources:
www.nrc.gov/publications/factsheets/fs160.pdf
www.epa.gov/radionuclides/cleanup/hal_pwr.pdf
www.cdph.ca.gov/Programs/OPA/Pages/NR070001.aspx
www.eis.noaa.gov/Details.cfm?id=1000000000

Naval Station Treasure Island

Understanding the Type and Extent of Radiological Contamination Found in Installation Restoration Site 12

Why is there radiological contamination at the former Naval Station Treasure Island?

Primarily, during WWII Naval Station Treasure Island became a "Frontier Base" supplementing ship repair facilities around the bay area that were overloaded. Wartime recycling activities, particularly related to ship repair, have historically included the maintenance and repair of radioluminescent (glow-in-the-dark) military instruments, dials and gauges.

When was the radiological contamination first found in Site 12?

During the Navy's environmental investigation and cleanup process, radiological materials were found in the Installation Restoration Site 12 solid waste disposal areas.

What type of radiological materials have been found?

Various objects containing radium-226 (Ra-226) have been found primarily in the Installation Restoration Site 12 solid waste disposal areas, as depicted below. The sampling of soil also found naturally occurring elements such as uranium, thorium, potassium and Ra-226. However, Ra-226 was found at levels higher than naturally occurring levels indicating a cleanup action is required.



What is being done to protect the public during cleanup?

- Public access to all work areas is restricted to prevent inadvertent exposure prior to clean up
- Work plans approved by state Departments of Public Health and Toxic Substances Control are followed to complete the cleanup
- Dust is controlled to contain contamination within the restricted areas
- Testing of the air, soil, buildings, equipment, and work boundaries is conducted during and after the projects
- Low-level radiological wastes are packaged in water-tight bins and transported to a licensed radiological waste disposal site
- Perimeter dose surveys are conducted to ensure radiation levels are safe outside the restricted area



Naval Station Treasure Island

Site 12 Radiological Investigation and Cleanup Process

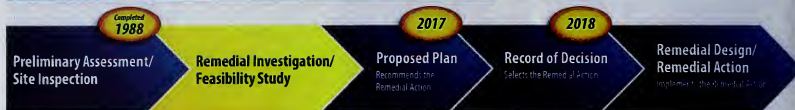
The CERCLA Process

The cleanup of radiological contamination at the former Naval Station Treasure Island is conducted under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) that provides regulations for effective environmental cleanups.

- Allows for oversight and guidance by regulatory agencies and partnerships with other stakeholders



The radiological investigation is overseen by the State of California. Oversight ensures the Navy's program meets state and federal laws and provides long-term protection of human health and the environment.



Non-Time Critical Removal Action

(Solid Waste Disposal Areas)

- Removal of chemical and radiological contamination in the SWDAs
- Results will support evaluation of remedial action alternatives in the Feasibility Study Addendum

ONGOING

Radiological Scoping Surveys

(Non-Solid Waste Disposal Areas of Site 12)

- Results will support evaluation of remedial action alternatives in the Feasibility Study Addendum

Remedial Investigation

- Characterizes site conditions
- Determines the nature of the waste
- Assesses risk to human health and the environment

Completed
2012

Feasibility Study (Chemical)

- Development, screening, and detailed evaluation of alternative remedial actions for chemical contamination

Completed
2014

Feasibility Study Addendum (Radiological)

- Evaluates alternative remedial actions for radiological contamination

2017

We encourage early and continuous community participation by keeping the community informed and involved.

Contact Us!

Keith Förmán

Navy BRAC Environmental Coordinator for Treasure Island
(415) 308-1458

The next Restoration Advisory Board Meeting is June 25, 2014



Naval Station Treasure Island

Installation Restoration Site 12



Construction of Treasure Island Begins

Golden Gate International Exposition



U.S. Government takes ownership of Treasure Island, establishing Naval Station Treasure Island

USS Pandemonium Site I (a mock-up ship) on Northwest portion of Naval Station Treasure Island used for training



Navy finds no historical records indicating that radioactive materials were disposed of on site at Naval Station Treasure Island

Navy, with State of California concurrence, completes three Findings of Suitability to Lease to support the leasing of the former military housing on Naval Station Treasure Island

Navy, with State of California concurrence, issues a Final Historical Radiological Assessment identifying four solid waste disposal areas within Installation Restoration Site 12 and three non-residential buildings elsewhere on Naval Station Treasure Island as requiring further radiological investigation

Aug 6: Navy releases Draft Historical Radiological Assessment-Supplemental Technical Memorandum for State of California review identifying seven new areas as requiring further radiological investigation

Aug 22: Navy requests the California Department of Public Health to perform independent radiological surveys of the daycare facility, the Boys & Girls Club and adjacent areas

Sept: California Department of Public Health issues its survey findings and concludes that there are no elevated radiation levels in or around these facilities and confirms there are no radiological health hazards

Oct: Navy performs high density soil sampling for radioisotopes within the 1400 Series Housing

Fall: Navy performs pre-demolition site characterization efforts for unoccupied buildings within the Installation Restoration Site 12 solid waste disposal areas and detects elevated radiation readings in two units from sources beneath the foundations

1936

1939 - 1940

1941

1944

1946 - 1963

1957 - 1969

1966

1969

1974

1989

1995

1997

1997 - 2000

1999

2006

2007 - 2011

2012

2013

2014

City and County of San Francisco lease Treasure Island to Navy during WWII

Operation of the solid waste disposal areas in Installation Restoration Site 12

1100 Series Housing Constructed

1200 Series Housing Constructed

1300 Series Housing Constructed

1400 Series Housing Constructed

Naval Station Treasure Island operationally closes

City of San Francisco, by and through the Treasure Island Development Authority, leases majority of the former military housing

Navy's removal action in the Installation Restoration Site 12 solid waste disposal areas uncovers low-level radiological waste

Mar: At the request of the Navy and the Treasure Island Development Authority, the California Department of Public Health performs additional radiological surface surveys of all the open space and residential backyards within Installation Restoration Site 12. The California Department of Public Health did not identify any areas that were an immediate health concern. Five discrete locations with elevated radiation readings are identified in open areas and in the following days, the Navy takes actions on the impacted soils and removes any objects to ensure site conditions present no public health risk

Sept - Dec: Navy conducts additional comprehensive surface surveys (roads + open space + residential backyards) within Installation Restoration Site 12. Ten radiological objects were discovered and removed by the Navy to ensure site conditions present no public health risk

Jun - Sept: Navy to conduct surveys of interiors of all leased housing units in Installation Restoration Site 12

Summer: Navy scheduled to issue Final Historical Radiological Assessment - Supplemental Technical Memorandum



Naval Station Treasure Island

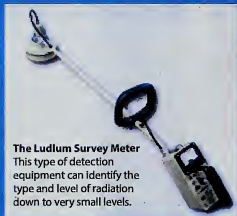
Housing Survey Project Information

WHAT IS THE PROCESS?

- A total of six separate survey teams will be working to complete the surveys as efficiently as possible
- Two radiological technicians will survey the ground floor and record the data
- Additional personnel will move large furniture and other items that would otherwise prevent the collection of data
- At the completion of the survey, all furniture and other items will be returned to their original locations within the residence
- All work will be conducted in the presence of a field team supervisor
- Housing service providers and Navy personnel will be on-site
- Residents are welcome to be present during the surveys

WHAT SURVEY EQUIPMENT WILL BE USED?

Surveys will be conducted using the Ludlum Model 193-6 instrument - a highly sensitive portable gamma radiation survey instrument



The Ludlum Survey Meter
This type of detection equipment can identify the type and level of radiation down to very small levels.

WHAT IS THE SCHEDULE?

- Surveys will be conducted between the hours of 8:00 am and 5:00 pm, Monday through Friday. No weekend or holiday work will be conducted
- Surveys are currently scheduled to begin on June 12, 2014 and continue through September 2014
- Each residence may take from 2 to 4 hours to survey. It is possible that some residences will take longer

WHAT CAN RESIDENTS DO TO PREPARE?

- Please secure any pets upstairs or in backyards, allowing the team to complete the survey quickly and safely
- Secure valuables
- Box up fragile and breakable items that you do not want movers to handle
- Move items upstairs if possible – upstairs areas will not require surveying
- Discuss the surveys with other household members including children

WHEN WILL THE RESULTS BE PROVIDED?

The Navy will process survey results within two weeks from the date of the survey and then provide the results to the Treasure Island Development Authority for distribution



FACT SHEET

Former Naval Station Treasure Island, San Francisco, California
Radiological Housing Unit Surveys



KEITH FORMAN
NAVY BRAC PROGRAM MANAGEMENT OFFICE WEST
1455 FRAZEE ROAD, SUITE 900
SAN DIEGO, CA 92108



NAVAL STATION TREASURE ISLAND MAILING COUPON

If you would like to be added to the Treasure Island mailing list and receive copies of future newsletters and fact sheets, please fill out the coupon below and mail it to:

Keith Forman
Navy BRAC Program Management Office West
1455 Frazee Road, Ste 900
San Diego, CA 92108

Name _____
Address _____
City/State/Zip _____
E-mail Address _____

☐ ADD MY NAME TO THE MAILING LIST

☐ DELETE MY NAME FROM THE MAILING LIST



8000000000000000

BACKGROUND

The residential area of Treasure Island was originally used as a parking lot during the Golden Gate International Exposition from 1939 through 1940. Following the establishment of Naval Station Treasure Island, the area was developed for bunker storage of munitions and other materials, vehicle and equipment storage, recreational playing fields, and disposal and burning of waste. Beginning in the 1960s, the area was developed into housing for Navy personnel. Naval Station Treasure Island was operationally closed in 1997. In 1999, at the request of the City of San Francisco, the Navy leased the majority of the former military housing to the City. The City then worked with several affordable and market rate housing providers to rent the units to residents.

In 2007, the Navy discovered radiological objects while removing contaminants from solid waste disposal areas along the outer perimeter of the residential area. Since 2007, the Navy removed several buildings and concrete foundations in preparation for further removal of the known solid waste. In March 2013, the California Department of Public Health conducted a radiological survey of the roads and open spaces within the residential neighborhood, covering areas outside the solid waste disposal area. In the fall of 2013, the Navy conducted additional comprehensive surface surveys of the roadways, carparks, open spaces and playgrounds at all residences. The preliminary results of these surveys were reported at the February 2014 Restoration Advisory Board meeting and the Navy will release comprehensive reports on the surveys later this year.

RADIOLOGICAL SURVEYS

Beginning in June 2014, the Navy, in close coordination with the California Department of Public Health, will be conducting radiological surveys inside the ground floor of residences. This survey will collect data representing the condition of the concrete foundations. This survey will focus on the ground floors of every residence (including garages and storage lockers) and will allow the Navy and the State of California to verify everyone's safety.

WHAT IS THE PROCESS?

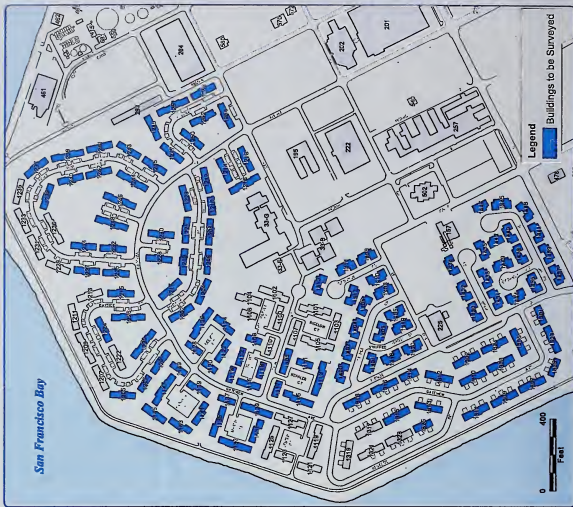
The surveys will be conducted by a radiological technician who will survey the floors of the residences, garages, and storage lockers. The technician will use a survey meter (see photo) to cover all the surface area of the ground floor rooms in each residence. Another trained team member will record the data. To allow for the complete floor area to be surveyed, teams will carefully move large furniture and other items that would otherwise prevent the collection of data. In most cases, this may mean moving furniture a few feet to allow access to that portion of the floor. In some cases, furniture will be temporarily moved outside the residence. Moving blankets and plastic sheeting will be used for protection of residents' property. All of this will be done in the presence of a field team supervisor. Housing service provider representatives and Navy personnel will also be on site. Residents are welcome to be present during the surveys.

Surveys will be conducted using the Ludlum Model 193-6 - a highly sensitive portable gamma radiation survey instrument. The instrument will detect if there are any radiological materials or items painted with radium paint below the building foundation.



8000000000000000

San Francisco Bay



A team of six separate survey teams will be working at Treasure Island to complete the surveys as efficiently as possible. All surveys are anticipated to be completed within four months. Each residence may take from 2 to 4 hours to survey. It is possible that some residences will take longer. For residences with garages, it will be necessary to have access to the garage and driveway for efficient, temporary moving of items. The second floors of all residences will not need to be surveyed.

WHAT CAN RESIDENTS DO TO PREPARE?

- Please secure any pets upstairs or in backyard on the day your residence is surveyed. Please allow the team to complete the survey quickly and safely and ensure the safety of your pet.
- Secure your valuables.
- Move up fragile and breakable items that you do not want moved to handle.
- Move items upstairs if possible – upstairs areas will not require surveying.
- Discuss the surveys and this fact sheet with other household members including children.
- For garages and storage lockers: Organize material in boxes so it can be safely moved.

RESULTS

At the completion of the radiological survey, all furniture and personal belongings will be returned to their original locations within the residence. The Navy will process survey results within two weeks from the date of the scan and then provide the results to the Treasure Island Development Authority (TIDA) for distribution. In order to accurately process the survey results, the information must be thoroughly reviewed and validated in coordination with the California Department of Public Health. It may be possible that survey results will be available before the two week period and if that is the case, the results will be provided to TIDA earlier.

SCHEDULE

Surveys will be conducted between the hours of 8:00 am and 5:00 pm, Monday through Friday. No weekend work or work on holidays will be conducted.

Surveys are currently scheduled to begin on June 12, 2014 and continue through September 2014. Residents will be informed of the date their residence is scheduled for the survey. A Work Notice will be sent to each residence two weeks before the survey. This notice will list a timeframe for your residence to be surveyed. The Navy will coordinate final scheduling with TIDA and the housing providers. An additional notice will be provided to each residence a minimum of 24-hours before the survey. It is your right and your choice to be present during the survey. A representative of your housing provider will also be present during the survey.

FOR MORE INFORMATION

Contact the following Navy representative with site-related questions or concerns:

Keith Forman
Navy BRAC PMO
1455 Frazer Road, Ste 900
San Diego, CA 92108
415.308.1458
keith.a.forman@navy.mil

ESTACIÓN NAVAL DE TESORO ISLAND
SAN FRANCISCO, CALIFORNIA
94134-5000
TEL: 415-776-6200
FAX: 415-776-6201
WWW.NAVFAC.NMCC.MIL



CUPÓN DE CORREO DE LA ESTACIÓN NAVAL DE TESORO ISLAND

Si desea que lo agreguemos a la lista de correo de Treasure Island y recibir copias de futuros boletines informativos y hojas informativas, complete el siguiente cupón y envíelo a:

Keith Forman
Navy BRAC Program Management Office West
1455 Frazee Road, Ste 900
San Diego, CA 92108

Nombre _____
Dirección _____
Ciudad, estado y código postal _____
Dirección de correo electrónico _____

☐ AGREGAR MI NOMBRE A LA LISTA DE CORREO ☐ BORRAR MI NOMBRE DE LA LISTA DE CORREO

Estudios radiológicos de las viviendas de Treasure Island



HOJA INFORMATIVA

Antigua Estación Naval de Treasure Island, San Francisco, California
Estudios radiológicos de las viviendas de Treasure Island

ANTECEDENTES

El área residencial de Treasure Island se utilizó originalmente como emplazamiento durante la Exposición Internacional de 1906. Después de la Exposición, la Estación Naval de Treasure Island, el área se desarrolló para funcionar como un refugio subterráneo de la Marina. La Estación Naval de Treasure Island se desarrolló para funcionar como vivienda del personal de la Marina. La Estación Naval de Treasure Island se cerró de forma operativa en 1997. En 1999, a pedido de la ciudad de San Francisco, la Marina alquiló la mayoría de las ex viviendas para militares a la ciudad. Luego, el gobierno de la ciudad trabajó con varios proveedores de viviendas asequibles y a tarifas del mercado para alquilar las viviendas a residentes.

En 2007, la Marina descubrió objetos radiológicos mientras removía contaminantes de áreas de vertido de desechos sólidos en el perímetro externo del área residencial. Desde 2007, la Marina ha quitado varios edificios y cientos de contenedores como parte de la limpieza de la zona. Los edificios y los contenedores se eliminaron de la zona. En marzo de 2013, el Departamento de Salud Pública de California llevó a cabo un estudio radiológico de los edificios y los contenedores que se eliminaron de la zona. Los estudios adicionales de la superficie de las calçadas, cocheras, espacios abiertos y patios de todas las residencias. Los resultados preliminares de estos estudios se presentaron en la reunión de febrero de 2014 de la Junta Consultora de Restauración, y la Marina emitirá informes integrales de los estudios más tarde este año.

ESTUDIOS RADIOLÓGICOS

A partir de junio de 2014, la Marina, en coordinación con el Departamento de Salud Pública de California, llevará a cabo estudios radiológicos dentro de la planta baja de las residencias. Este estudio recopilará información que represente al área que está por debajo de los cientos de concreto. Este estudio se centrará en la planta baja de cada residencia (incluidas las cocheras y cañilleras de almacenamiento) y permitirá a la Marina y al estado de California verificar la seguridad de todos.

¿CÓMO ES EL PROCESO?

Un técnico en radiología llevará a cabo los estudios y analizará los pisos de las residencias, las cocheras, los espacios abiertos y los patios de todas las residencias. El técnico usará un instrumento portátil de estudio de radiación gamma para cubrir toda el área superficial de las habitaciones de la planta baja de cada vivienda. Otro miembro capacitado del equipo registrará la información de la planta baja de cada vivienda. El área de la planta baja, los equipos moverán cuidadosamente los muebles grandes y otros objetos que podrían evitar la recolección de datos. En la mayoría de los casos, esto puede significar que los muebles deben moverse unos pies para permitir el acceso a esa parte del piso. En algunos casos, los muebles se moverán más de 10 pies para permitir el acceso a esa parte del piso. Los técnicos de radiología usarán una sonda de radiación gamma para medir la radiación en las paredes y los techos de plásticos para medir la radiación en la pared del estudio. También estarán presentes los representantes del proveedor de servicios de vivienda y personal de la Marina. Los residentes pueden asistir y son bienvenidos a estar presentes durante el estudio.

Los estudios se llevarán a cabo utilizando un Ludlum Model 199-6, un instrumento portátil de estudio de radiación gamma de alta sensibilidad. El instrumento detectará si hay materiales radiológicos u objetos pintados con pintura de radio debajo de los cientos del edificio.



Un total de seis equipos de estudio diferentes trabajarán en Treasure Island para completar los estudios con la mayor eficacia posible. Se espera que todos los estudios se completen en cuatro meses. Es posible que se tarde entre 2 y 4 horas para analizar cada residencia. Antes de comenzar los estudios, los investigadores se reunirán con el personal de la Marina y la entidad para poder utilizar los objetos que se utilizan empalmados de forma eficiente. No se estudiará el segundo piso de cada residencia.

¿QUÉ PUEDEN HACER LOS RESIDENTES PARA PREPARARSE?

- Asegurar las mascotas en los pisos superiores o patios el día en que esté programado el estudio de su residencia. Esto permitirá al equipo completar el estudio de forma rápida y segura, y garantizará la seguridad de su mascota.
- Quitar sus objetos de valor.
- Mover los objetos de los pisos superiores, los cuales no serán analizados, quienes que manipulan los asistentes de la mudanza.
- Conectar los estudios y esta hoja informativa con los miembros de su familia, incluidos los niños.
- Organizar el material de la cocina y los castillos de almacenamiento en cajas, para que se puedan mover de forma segura.

RESULTADOS

Al finalizar el estudio radiológico, todos los muebles y objetos personales se volverán a colocar en su ubicación original dentro de la residencia. La Marina procesará los resultados dentro de las dos semanas siguientes a la fecha del estudio y luego los pasará a la Autoridad de Desarrollo de Treasure Island (*Treasure Island Development Authority*, TIDA) para su distribución. Para procesar correctamente los resultados de los estudios, la información se revisará de forma detallada y se validará junto con el Departamento de Salud Pública de California. Es posible que los resultados del estudio estén disponibles antes del período de dos semanas, y si así fuese, los resultados se proveerán a la TIDA con antelación.

CRONOGRAMA

Los estudios se llevarán a cabo entre las 8:00 a. m. y las 5:00 p. m., de lunes a viernes. No se trabajará durante los fines de semana ni los días festivos.

Los estudios están programados para comenzar el 12 de junio de 2014 y continuar hasta septiembre de 2014. Los residentes recibirán información sobre la fecha en que su residencia está programada para el estudio. Se enviará un aviso de trabajo a cada residencia dos semanas antes del estudio. Este aviso incluirá el período en que se estudiará su residencia. La Marina coordinará el cronograma final con la TIDA y los proveedores de vivienda. Se proveerá un aviso adicional a cada residencia con un mínimo de antelación de 24 horas antes del estudio. Es su derecho y su decisión estar presente durante el estudio. Un representante de su proveedor de vivienda también estará presente durante el estudio.

PARA OBTENER MÁS INFORMACIÓN

Comuníquese con el siguiente representante de la Marina para hacer preguntas o expresar sus inquietudes sobre el sitio:

Keith Forman
Navy BRAC PMO
415 Franklin St., 300
San Diego, CA 92108
415.308.1458
keith.a.forman@navy.mil



共有六個獨立檢測小組在全縣進行工作，以順應可能高效地實施檢測。所有檢測預計將在四個月內完成，每居住住宅的檢測可能需 2 至 4 小時。有些住宅可能需更長的時間，對於有車庫的住宅，為了更高效地完成物品的臨時移動，需使用車庫和車道。所有住宅的第二層不需要檢測。

居民可以作什麼準備？

- 在您的住宅接受檢測的當天，請確保所有寵物安排在樓上或後院。
- 這將是個快速安全地完成檢測並保護儲藏物的安全。
- 保管好您的貴重物品。
- 對於您不希望搬運或處理的易碎物品，請將其裝箱。
- 如果您不帶型搬運工處理的物品，樓上不需要後搬。
- 如果您的成員（包括兒童）一起討論項檢測和情況簡介。
- 針對車庫和儲物櫃，將材料裝箱以便能在安全移動。



結果

經評估檢測完成後，所有傢俱和個人物品將被搬回住宅內並放回原來的位置。海軍將於檢測之日起兩週內處理檢測結果並將結果提交給金縣海軍局（TIDA）以供參考。為了準確地處理檢測結果，必須在住所公共衛生物品檢測下對傢俱進行徹底檢查和搬運。檢測結果可能會早於兩週的期限內完成，如果最遲進展情況，結果將提前提交 TIDA。

時間表

檢測將於週一至週五上午 8:00 至下午 5:00 進行，不會在週末或假期進行檢測。

目前的計劃是 2014 年 6 月 12 日開始檢測，2014 年 9 月完成。我們將通知居民安排其住宅接受檢測的日期。檢測前兩週將寄發有關住宅搬運工作通知，此通知將列出您的住宅接受檢測的時間段。海軍將與 TIDA 和在房內居住一起討論最終的時間表。我們將至少提前 24 小時向有關住宅搬運外的檢測通知。如有搬運將在檢測前應到場，您的住宅性搬運商代表也會在檢測期間到場。

更多資訊

與現場相關的問題或疑慮，請聯絡下面的海軍代表：

Keith Forman
Navy BRAC PMO
1455 Frazee Road, Ste 900
San Diego, CA 92108
415.308.1458
keith.a.forman@navy.mil



AGENDA
NAVAL STATION TREASURE ISLAND
BRAC CLEANUP TEAM MEETING

Date: Wednesday, May 21, 2014

Time: 10:00 a.m. to 11:30 a.m. *(post-BCT meeting begins at 12:30)*

Place: Tetra Tech, 1999 Harrison Street, Suite 500, Oakland, CA

Dial In: 866-692-5721

Meeting ID#: 0002014

Webinar link: <https://global.gotomeeting.com/join/812574285>

****NOTE:** If this is your first webinar, please log-in 10 minutes early to ensure your computer can sync with GoToMeeting webinars.

- | | |
|-------------------------------|---|
| 10:00 – 10:05
(5 minutes) | Introductions, Meeting Guidelines, Agenda Review, Meeting Minutes
(Keith Forman / Jessica O'Sullivan) |
| 10:05 – 10:15
(10 minutes) | Site 12 – NTCRA Update on Building Scans in North Point (Chris Yantos) |
| 10:15 – 10:30
(15 minutes) | Site 12 – Update on Site-wide Building Scans (Chris Yantos) |
| 10:30 – 10:40
(10 minutes) | Site 12 – NTCRA Update on SWDA Bigelow Court (Tony Konzen) |
| 10:40 – 10:50
(10 minutes) | Building 3, Site 32 and Selected Sewer Lines – Field Work Update
(Danielle Janda) |
| 10:50 – 11:00
(10 minutes) | Sites 31/33 Update (Louie Cardinale) |
| 11:00 – 11:10
(10 minutes) | Upcoming Documents and Field Activities (Dave Clark) |
| 11:10 – 11:15
(5 minutes) | RAB Meeting Update / Community Relations Update (Keith Forman / Tommie Jean Valmassy) |
| 11:15 – 11:25
(10 minutes) | Open Forum for City / Developer / BCT |
| 11:25 – 11:30
(5 minutes) | Action Item Review / Other Meetings (Keith Forman) |
| 12:30 – 2:30
(120 minutes) | <u>Post-BCT Meeting:</u>
Site 24 Focused Feasibility Study Addendum Storyboard
<i>(Note: this session will be held in-person)</i> |

Future BCT Meetings:

June 25, 2014, Tetra Tech Inc., Oakland, California *(note change in schedule)*

July 16, 2014, Tetra Tech Inc., Oakland, California

August 20, 2014, Tetra Tech Inc., Oakland, California

Naval Station Treasure Island
Environmental Cleanup Program
Document Tracking Sheet
May 2014 - October 2014

Item	Document Title & Information	CTO/DO	INTERNAL DRAFT		DRAFT				RTC		INTERNAL FINAL		FINAL	Comments
			Internal Draft Due to Navy	Navy Comments Due	Draft to Agencies	Agency Comments			Preliminary RTCs to Agencies	Resolve and Concur on RTCs	Internal Final to Navy	Navy Comments Due		
						WATER BOARD	DISC	EPA						
Site 6														
Site 6 TCA Characterization / ISS Work Plan														
1	RPAC: Leslie Caraballo PAC: Bill Dougherty, TREC	0025	10/21/13	12/20/13	01/07/14* 07/02/14**	02/07/14 08/01/14	X		04/09/14 08/22/14	04/17/14 08/29/14	05/28/14 09/05/14	06/19/14 09/19/14	06/27/14 10/03/14	
2	RPAC: Bryce Barthelemy PAC: Dennis Kelly, TREC-IT	0038	05/23/14	06/20/14	07/07/14	08/05/14			09/02/14	09/16/14	09/30/14	10/09/14	10/23/14	
Site 12														
SWDA Westside (AAB) TCR (Phase I)														
3	RPAC: Tony Konzen PAC: Ulrika Messer, CB&I	0010	10/16/12 04/06/14	12/10/12 04/20/14	01/28/13 07/07/14	02/27/13 08/04/14	X		08/15/14	08/17/14	08/21/14	08/25/14	09/04/14	
SWDA Westside (AAB) TCR (Phase II & Hot Spots)														
	RPAC: Tony Konzen PAC: Bill Dougherty, TREC	0013	12/20/13	01/31/14	02/14/14	03/19/14			04/10/14	04/25/14	05/02/14	05/06/14	05/09/14	
SWDA Bigelow Court RAMP														
	RPAC: Tony Konzen PAC: Ulrika Messer, CB&I	0010	08/26/13	09/20/13	01/15/14	02/14/14			04/09/14	04/24/14	05/01/14	05/03/14	05/12/14	
Phase II NCRBA Work Plan														
4	RPAC: Chris Yantos PAC: Ulrika Messer, CB&I	1	12/09/13	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD	
Building Survey Supporting Document (ISF)														
5	RPAC: Chris Yantos PAC: Ulrika Messer, CB&I	1	05/07/14	05/13/14	05/23/14	06/29/14			06/04/14	06/06/14	NA	NA	06/09/14	
Gateview Arsenal/TPH Area TCA Action Memo														
6	RPAC: Bryce Barthelemy PAC: Tim Harbort, TREC-IT	0050	06/06/14	07/07/14	08/18/14	09/17/14			10/07/14	10/14/14	10/22/14	10/29/14	11/05/14	
SWDA Bigelow Court ISS Plan														
7	RPAC: Tony Konzen PAC: Ulrika Messer, CB&I	1	07/02/14	07/17/14	07/24/14	08/07/14			08/15/14	TBD	08/15/14	08/22/14	08/29/14	
SWDA Bigelow Court ISS Report														
8	RPAC: Tony Konzen PAC: Ulrika Messer, CB&I	1	09/30/14	10/14/14	10/21/14	11/20/14			12/01/14	TBD	12/01/14	12/08/14	12/15/14	
Site 21														
Site 21 RACR														
9	RPAC: Danielle Jando PAC: Tim Harbort, TREC-IT	8600	07/07/14	08/20/14	09/03/14	10/06/14			10/20/14	10/27/14	11/10/14	11/17/14	11/24/14	

Naval Station Treasure Island
Environmental Cleanup Program
Document Tracking Sheet
May 2014 - October 2014

Item	Document Title & Information	C/O/D/O	INTERNAL DRAFT		Draft to Agencies	DRAFT						RTC		INTERNAL FINAL		Comments	
			Internal Draft Due to Navy	Navy Comments Due		Date Due	Agency Comments					Preliminary RTCs to Agencies	Resolve and Concur on RTCs	Internal Final to Navy	Navy Comments Due		
							WATER BOARD	DTSC	EPA	TID/CD	FAB						Priority Review OTHER
Site 24																	
10	Focused Is Addendum	0038	04/18/14	✓	05/19/14	06/16/14					08/13/14	08/27/14	09/12/14	09/23/14	10/07/14		
	RPV: Danielle Jardo PAC: Jean Michaels, TIECO-IT																
11	Boundary Change Letter	0038	08/04/14	09/03/14	10/07/14	11/06/14					11/20/14	11/26/14	12/04/14	12/11/14	12/18/14		
	RPV: Danielle Jardo PAC: Jean Michaels, TIECO-IT																
Site 27																	
12	Site 27 BACR	0003	06/23/14	07/21/14	08/10/14	09/02/14					09/16/14	09/23/14	09/29/14	10/13/14	11/10/14	Agency Review of Internal Draft BACR scheduled for 10/27/14	
	RPV: Bryce Barreira PAC: Hedy Abernethy, TIEC																
Sites 31/33																	
13	Site 31 BACR	1	06/10/14	07/08/14	07/22/14	08/21/14					09/18/14	09/23/14	10/02/14	10/09/14	10/16/14		
	RPV: Louie Cardinale PAC: John Bour, Gilbane																
14	Site 31 FSI Report	1	01/23/14	04/21/14	06/17/14	07/15/14					08/14/14	08/21/14	08/28/14	09/11/14	10/02/14		
	RPV: Louie Cardinale PAC: John Bour, Gilbane																
15	Site 33 BACR	1	07/31/12	08/15/12	09/10/12	11/02/12	✓				03/19/14	NA	05/19/14	05/20/14	07/21/14	Agency Review of Internal Draft BACR scheduled for 10/27/14	
	RPV: Louie Cardinale PAC: John Bour, Gilbane																
Building 233																	
16	Building 233 FSI Report	0010	05/08/14	06/05/14	07/03/14	08/04/14					08/18/14	08/25/14	09/01/14	09/10/14	09/24/14		
	RPV: Tony Carsten PAC: Ultra Messer, CB&I																
YTS																	
17	Site YTS SIERA	0038	04/25/14	05/27/14	07/18/14	08/19/14					09/18/14	TBD	11/12/14	11/26/14	12/10/14		
	RPV: Louie Cardinale PAC: Katie Henry, TIECO-IT																
Groundwater Monitoring																	
18	2013 Sites 6, 12, 21, 24 Groundwater Report	1	07/24/14	08/07/14	08/14/14	09/11/14					10/13/14	10/20/14	10/13/14	10/27/14	11/10/14		
	RPV: Louie Cardinale PAC: Greg Alvarado, Travel																
Other Reports																	
19	Historical Radiological Assessment Tech Memo	0003	05/30/12	06/29/12	08/06/12	10/05/12	✓	✓	✓	✓	01/18/13	NA	04/14/14	05/12/14	07/03/14	Heavy Site Coordination meeting scheduled for June 18	
	RPV: David Clark PAC: Marce Voss, TIECO-IT																
20	Radiological Work Plan, Project Areas 1-4 Radiological Surveys (Phase II)	0012	01/07/14	04/02/14	09/19/14	09/19/14					10/17/14	10/26/14	NA	NA	10/29/14		
	RPV: Danielle Jardo PAC: Ultra Messer, CB&I																

**Naval Station Treasure Island
Environmental Cleanup Program
Document Tracking Sheet
May 2014 - October 2014**

Item	Document Title & Information	CTO/DO	INTERNAL DRAFT		Draft to Agencies	DRAFT						RTC	INTERNAL FINAL		FINAL	Comments
			Internal Draft Due to Navy	Navy Comments Due		Date Due	Agency Comments						Preliminary RTCs to Agencies	Reactive and Concur on RTCs		
							DISC	WATER BOARD	FPA	TJPA/TICD	RAB	OTHER			Priority Review	
Other Reports (Continued)																
21	Site 12 Gamma Survey Report RPMC: Danielle Janda PMC: John Bour, Gilbane	0006	05/30/14	04/30/14	07/25/14	08/26/14						09/23/14	09/30/14	10/07/14	10/14/14	
22	Radological Survey Report for Site 32, Bldg 3, Selected Storm and Wastewater Lines, and Selected Roadways RPMC: Danielle Janda PMC: John Bour, Gilbane	0006	04/23/14	07/23/14	08/20/14	09/17/14						10/15/14	10/22/14	10/29/14	11/05/14	
23	Community Relations Plan Update 2013 RPMC: Keith Toman PMC: Marice Roth, Titeco-IT	0038	09/09/13	09/19/13	10/09/13	12/20/13	✓	X	X	✓		TBD	TBD	TBD	TBD	Site 32 was not included in this document
24	2014 LUC Inspection Report RPMC: Danielle Janda PMC: Internal Navy		04/25/14	05/22/14	05/30/14	04/29/14						07/06/14	07/04/14	07/09/14	07/15/14	
25	1400 Series Radiological Sampling Report RPMC: Danielle Janda PMC: UFGA Messer, C&I		03/14/14	05/09/14	04/20/14	07/22/14						08/19/14	08/26/14	09/02/14	09/09/14	
26	2014 Site Management Plan RPMC: Dave Clark PMC: Marice Roth, Titeco-IT	0038	05/19/14	04/02/14	04/09/14	07/07/14						08/06/14	08/20/14	09/03/14	09/17/14	10/01/14
27	Baseline Five-Year Review RPMC: Danielle Janda PMC: Marice Roth, Titeco-IT	0038	07/11/14	08/11/14	09/15/14	10/15/14						11/12/14	11/19/14	12/10/14	12/17/14	
28	Finding of Suitability to Transfer (FOST) 4 RPMC: Danielle Janda PMC: Marice Roth, Titeco-IT	0038	04/25/14	07/09/14	07/18/14	08/19/14						09/02/14	09/09/14	09/23/14	09/30/14	
29	2014 Finding of Suitability to Lease (FOSL) RPMC: Danielle Janda PMC: Marice Roth, Titeco-IT	0038	09/18/14	10/02/14	10/17/14	11/19/14						11/26/14	12/02/14	12/18/14	01/07/15	

Abbreviations:

- ✓ Production or review of document is complete.
- X Recalled, verification of no comments or comments delivered to other agency.
- CTO/DO = Contract task order/delivery order
- DISC = Department of Toxic Substances Control
- EPA = U.S. Environmental Protection Agency
- F3 = Feasibility study
- FSS = Final status survey
- HRRA = Human health risk assessment
- LUC = Land use control
- NA = Not applicable
- NCSA = Non-time critical removal action
- PM = Project manager
- PP = Proposed plan
- RAP = Remedial action plan
- RASO = Radiological Afloat Support Office
- RACR = Remedial Action Completion Report
- RAMP = Remedial Action Work Plan
- ROD = Record of decision
- RPM = Remedial project manager
- SAP = Sampling and analysis plan
- SWDA = Solid waste disposal area
- TBD = To be determined
- TICD = Treasure Island Community Develops
- TDA = Treasure Island Development Authority
- TSP = Task Specific Plan
- Water Board = Regional Water Quality Control Board

Gray shading indicates the document is finalized.

Blue shading indicates agency review comments are due within the next 30 days or are outstanding.

Yellow shading indicates documents that will be issued draft or final within the next 30 days.

**Naval Station Treasure Island
Navy Field Schedule
May 2014 - October 2014**

Item	Activity and Investigation Area	Field Dates	Navy RPM (Contractor)	Complete
Site 12				
1	Feasibility Study Data Gaps Sampling	Start: 07/14/14 Finish: 08/15/14	Bryce Barleima (KCH)	
2	Bigelow Court Non-Time Critical Removal Action	Start: 04/07/14 Finish: 10/29/14	Tony Konzen (CB&J)	
3	Phase III Non-Time Critical Removal Action (Housing Survey and Demolition Only)	Start: 04/10/14 Finish: 08/28/14	Chris Yantos (CB&J)	
Sites 31/33				
4	Sites 31/33 Remedial Action	Start: 02/02/12 Finish: 06/09/14	Louie Cardinale (Gilbane)	
Groundwater Monitoring				
5	Sites 6, 12, 21, 24 - Groundwater/Soil Gas Sampling Sites 6, 12, 21, and 24	Start: 08/25/14 Finish: 09/04/14	Louie Cardinale (Trevet)	
Other				
	Scoping Surveys - Various Sites Phase I Building 3, Sites 12, 32, and roads between Sites 6 and 12; and Waste Utilities at Bldgs 3, 7, and 233	Start: 08/01/13 Finish: 05/16/14	Danielle Janda (Gilbane)	✓
6	Radiological Surveys of Various Areas Project Areas 1-6 (Phase II)	Start: 10/29/14 Finish: 01/30/15	Danielle Janda (CB&J)	

Abbreviations:

- ✓ Field work is complete.
- RPM Remedial project manager
- SWDA Solid waste disposal area
- TBD To be determined

Yellow shading indicates field activities that will start or finish within the next 30 days.

Grey shading indicates field activities are complete.



SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

455 Golden Gate Avenue, Suite 10600 • San Francisco, California 94102 (415) 352-3600 • Fax: (415) 352-3606 • www.bcdc.ca.gov

Agenda Item #7

May 23, 2014

TO: Commissioners and Alternates

FROM: Lawrence J. Goldzband, Executive Director (415/352-3653, lgoldzband@bcdc.ca.gov)
Bob Batha, Chief of Permits (415/352-3612, bobb@bcdc.ca.gov)

SUBJECT: **Listing of Pending Administrative Matters**
(For Commission consideration on June 5, 2014)

This report lists the administrative permit applications, federal consistency actions, marsh development permits in the Secondary Management Area of the Suisun Marsh, regionwide permit actions, minor amendments to the Suisun Marsh Local Protection Program, and emergency permits that are pending with the Commission. The staff members to whom the matters have been assigned are indicated at the end of the projects' description. Inquiries should be directed to the assigned staff member prior to the Commission meeting.

Administrative Permits and Federal Consistency Actions

The Executive Director has not filed any administrative permit applications since the last listing.

Permits in the Secondary Management Area of the Suisun Marsh

Solano County has issued the following marsh development permit since the last listing.

Applicant: Warren's Turf Group, Inc
3773 Chadbourne Road
Fairfield, CA 94534

Time Extension No. 3 to Use Permit No. U-77-01

Filed: 05/05/14
20th Working Day: 05/30/14

Description: The project involves a third time extension (for an additional five years) to Use Permit U-77-01 and Solano County Marsh Development Permit No. MD-79-08 to continue operation of developed property as a turf nursery and to extend the use of existing agricultural employee housing at 3773 Chadbourne Road, in the City of Fairfield, Solano County. The site is located within an "AL-80" Exclusive Agricultural Zoning District in the secondary management area of the Suisun Marsh. The County grants time extensions if operations and use comply with permit conditions.

On February 3, 1977, the Solano County Planning Commission adopted a Negative Declaration of environmental impact and approved Use Permit U-77-01 for the project. The project was extended on two previous occasions. The Solano County staff states that the nursery is currently in compliance with Use Permit U-77-01, based upon review of the renewal application, County permit conditions of approval and the absence of code compliance cases on file. Extension No. 3 to Use Permit U-77-01 contains a condition of approval that allows the permit to be extended in the future if a permit extension request is received by Solano County prior to the expiration date of October 2, 2018. Other conditions imposed by the County include that the use be established in accord



Applicant: Kinder-Morgan
1100 W. Town and Country Road
Orange, California 92868

BCDC Abbreviated Regionwide Permit No. ANOI2014.001.00

Filed: 05/06/14

7th Day: 05/15/14

Issued: 05/14/14

Location: Within the 100-foot shoreline band, along the railroad tracks at Joint 1590 and Joint 1910 of Line Section 72 of a Kinder-Morgan pipeline, near the City of Martinez, Contra Costa County.

Description: Excavate, investigate, and repair as needed, two sections of petroleum pipeline. To complete the repairs, four holes will be dug – two, three-foot by three-foot exploration holes, and two, five-foot by eight-foot trenches to expose and repair the pipeline. Staging areas will be needed for equipment and mobilization. A total of 480 square feet will be affected within the Commission's jurisdiction.

(Erik Buehmann 415-352-3645 or erikb@bcdcc.ca.gov)

May 30, 2014

Treasure Island Development Authority
410 Palm Avenue, Bldg 1
San Francisco, CA 94130

By Certified Mail

Re: 30 days written notice of termination of services

Dear Treasure Island Development Authority Representative:

Effective July 1, 2014 we are terminating the agreement between Community Housing Partnership and Treasure Island Development Authority for services at Catholic Charities-CYO Treasure Island Support Housing located at 810 Avenue D Bungalow #2 S.F, CA 94130 San Francisco, CA 94102.

As of July 1, 2014, any future business regarding Treasure Island Support Housing should be directed to:

Catholic Charities CYO – TISH
PO Box 78037
San Francisco, CA 94107
Phone: (415) 743-0017
Fax: (415) 981-3039

Thank you for your work to date.

Respectfully,

Juana Nunley
Director of Property Management
Community Housing Partnership
20 Jones Street Suite 200
San Francisco, CA 94102
Direct: 415.852.5300 x108 | fax: 415.749.2790
www.chp-sf.org

JUN -4 2013
MS, RR, F/E



From: Data Release
Sent: Friday, May 30, 2014 9:32 AM
To: Susan
Subject: Report on Cancer Incidence on Treasure Island

Dear Susan,

I apologize for the delay in getting you some results on the incidence of cancer in the Treasure Island population. Results from our analysis are in, however, and have been reviewed and approved by the California Department of Public Health, as well as our Senior Research Scientists here at CPIC. This assessment was conducted consistent with guidelines developed by the California Cancer Registry, California Department of Public Health.

As we discussed, I was able to investigate the potential excess of cancer on Treasure Island using data from the Greater Bay Area Cancer Registry. The registry collects and manages information on persons diagnosed with cancer and these data are obtained from physicians, hospitals, and other cancer treatment facilities as mandated by law. Cancer data in



the Greater Bay Area (Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito and Monterey counties) are available from 1988 onward; data are currently complete through 2011. In response to your request, we focused our analysis on the years 2002 to 2011, to determine the number of cancer cases reported among residents of Treasure Island, and whether there appeared to be any trend that might warrant further investigation. I am pleased to report that our investigation did not uncover any evidence of higher-than-expected cancer incidence on Treasure Island during this time.

From 2002 to 2011, there were 48 total cancer diagnoses in residents of Treasure Island reported to the cancer registry (an average of about 5 cases per year). For most specific types of cancer, there were fewer than five cases diagnosed (oral, colon, liver, pancreas, lung, breast, thyroid, myeloma, leukemia). There were 11 cases of prostate cancer, and six cases of lymphoma (different types). As you may be aware, cancer is not one disease but a generic term used to describe several diseases that share one similar trait: uncontrollable cell growth. Different cancer types have very different etiologies and risk factors (traits associated with a disease, like smoking for lung cancer), which can make identifying a potential 'cluster' difficult. In addition, very small numbers (both cases and population size), such as in the small population of Treasure Island, make any sort of meaningful site-specific statistical analysis infeasible. That being said, we did perform an "all cancer sites" analysis, the results of which can only be used for educational purposes. As stated by the Centers for Disease Control (CDC) and the Council of State and Territorial Epidemiologists (CSTE) in their guidelines on investigating suspected cancer clusters (see:

<http://www.cdc.gov/mmwr/preview/mmwrhtml/rr6208a1.htm>): *"An all-cancer SIR (i.e., one calculated for all types of cancers combined) might be useful for communication and educational purposes, but it is not useful for explaining or exploring potential etiologies. If an all cancer SIR is presented with the results, a discussion of its limitations for investigating etiologies and its usefulness for cancer education should be included."*

We evaluated all cancers observed from 2006 to 2011 on Treasure Island, using reference rates for all cancers from Alameda, Contra Costa, Marin, San Francisco and San Mateo counties combined, and population data from the 2010 U.S. Census. Our findings indicate that **cancer rates among residents of Treasure Island are not statistically different than other similar communities in the Greater Bay Area.**

We note that the population of Treasure Island has fluctuated greatly over the years. U.S. Census data indicate that in the year 2000, the population was 1,453. In 2010, the population was 2,880; this doubling over the course of 10 years further complicates the interpretation of changes in cancer rates over time. In such a mobile society, individuals with cancer may not have lived in the area long enough for their cancers to have a common cause. Cancer registry data do not include duration of residence in a certain area, which means that if there is some environmental concern, these data cannot be used to link any perceived increase in incidence to potential exposures. That being said, if there is some exposure of concern and there are enough long-term residents in a certain area, the data could pick up the increased incidence when comparing the observed cases to an expected number based on cancer rates in a comparable area. Registry data also do not include information on the presence of environmental exposures, or prevalence of some risk factors that are well known to be associated with cancers (like smoking).

A statistically significant cancer cluster involves a greater than expected number of cases given the size, age and gender distribution, and local cancer incidence of the population. Though investigations of most clusters determine there are not more cases than expected by chance, we consider it good public health practice to respond to community concerns about every cancer cluster, perceived or real. ***Our investigation revealed that there is no evidence of significantly elevated incidence rates of all cancers among the residents of Treasure Island.***

Please let me know if you have any questions or if I can provide further information.

Sincerely,

Meg





**CANCER PREVENTION INSTITUTE
OF CALIFORNIA**

Preventing Cancer. Promoting Life.

Meg McKinley, MPH
Greater Bay Area Cancer Registry
Epidemiologist II

5147 2201 Walnut Avenue, Suite 300 | Fremont, CA 94538 tel (510) 608-5022 fax (510) 608-
www.cpic.org





NOTICE OF PLANNED ELECTRIC SERVICE INTERRUPTION

<http://sfwater.org/index.aspx>

SFPUC High Voltage Crew will have the power off for to the following business on Yerba Buena Island only in order to preform necessary Facility cutover.

This will help us ensure reliable service to our customers. In order to safely perform the work, we will be temporarily interrupting your electric service. Although we will do our best to minimize the length of the service interruption, please be prepared to be without service on the following date (weather permitting) and for the **estimated** time indicated:

Date: Tuesday, June 10th, 2014 from 9:00am to 4:00pm

AFFECTED SERVICE AREAS: Yerba Buena Island Facilities to include;

Buildings 300, 301, 302, 303, 304, 324, 325, 326, 327, 328, 329, 330, 331, 60. 61, 62, 66,

Quarters 105, 106, 109, 111, 113, 115,

Buildings 162T, 221, 168T, 278(Vessel traffic) 255 (AT&T), 107, 221, 229, 225, 240, 276, 243(water pumps), 261.

It is important to note the following:

- If you are a landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, it is your responsibility to notify the tenant(s) of the planned service interruption.
- **Unsafe weather conditions or an unforeseen emergency will force us to cancel the work at the last minute, and we will be unable to notify you of the cancellation. However, we will notify you of the rescheduled date and time.**
- **SAFETY WARNING:** Residents shouldn't use generators under any circumstances without housing provider's knowledge. If you use a generator during the service interruption, you must isolate your generator from SFPUC system. Failure to do so will not only damage your generator, but can cause serious injury to our electric crew personnel.

Here are a few recommendations to help minimize any inconvenience to you:

- If you rely on **life support devices** you may want to consider the following:
 - The housing providers have lists of who has medical devices requiring power and should get the generators ahead of time.
 - Find alternate lodging at a location not affected by the interruption
- **Computers** and other **electronic equipment** are particularly sensitive to power interruption. We recommend unplugging this equipment before the shutdown period.
- **Security systems, clocks, irrigation timers**, and similar equipment will likely require resetting after the shutdown is completed.

Edwin M. Lee
Mayor

Anson Moran
Deputy Mayor

Art Torres
Vice President

Ann Moller Caen
Commissioner

Francisca Viator
Director of Operations

Vince Courtney
Director of Engineering

Ed Harrington
Director of Maintenance



- Contents of your **refrigerator** or **freezer** should not spoil for the duration of this service interruption if these appliances are kept closed.
- Have on hand battery-powered flashlights with fresh batteries.

We apologize for the inconvenience and thank you for your patience.



DO NOT LEAVE VALUABLE
PERSONAL ITEMS SUCH AS
CELL PHONES, LAPTOPS,
TABLETS OR KEYS IN YOUR
CAR!

Make sure your windows and doors are
locked!

If you notice any suspicious behavior, report it to the
San Francisco Police Department (415) 553-0123.

If you see or hear a burglary in progress call 911.

If you have information regarding burglaries, call the
SFPD Anonymous Tip Line at (415) 552-4901.



January 2, 1911
The Hon. Mr. Justice
of the Peace
at the Court House
at the City of New York
N.Y.

Subscribed and sworn to before me this 2nd day of January 1911
at the City of New York
N.Y.
Notary Public
for the State of New York

Summer Safety Tips for Treasure Island

This document was created by **Treasure Island Community Watch** and has been reviewed by SFPD and SF SAFE.

Over the years, we have noticed that overall crime rates on Treasure Island (and San Francisco as a whole) tend to be a little higher during summer months. The information provided below is designed to help you lessen the chance of becoming a victim of burglary or car theft during the summer. A special note to parents is included.

Burglary

This brochure is provided with the following in mind:

- Most burglaries on Treasure Island are crimes of opportunity. A little prevention goes a long way.
- Keeping an eye out for your neighbors and your neighborhood is one of the best preventative measures you can do.

Summer is a time for school breaks, family vacations, trips to the beach, cookouts and enjoyment of many outdoor activities. As such warm weather has a natural tendency of drawing people from their homes for daily activities. The days are longer. More people leave their residences on vacation than any other time of the year. Doors and windows tend to be left open.

- Statistically, August has the highest number of burglaries and February has the lowest. While studies indicate that there isn't a huge fluctuation in burglary rates from season to season, there are a number of behaviors and trends during summer that put residences at more risk for burglary than during other seasons.
- Most residential burglaries occur during daylight hours. These seasonal tendencies give burglars more opportunities for easy break-ins. There are more unoccupied homes and less people in the neighborhoods who might be alerted to suspicious activities...

General Residential Security Tips

- Never leave a door or window open unless you are within view of it. As a matter of practice if you close a door or window always lock it. This way you don't forget. All too often a home is entered through an unlocked window or door. Don't trust that you will hear someone come in even if you are home but in another room. This goes for any door or window that is above the ground floor but potentially accessible by standing on any object, the top of a fence or lower roof. Some burglars will climb or use anything left on your property (like a ladder) to access an open or unlocked window or porch door.
- Never leave valuables that can be easily carried away near or within view of an open window or door. Examples are wallets, credit cards, iPods, car keys, etc. Don't think someone won't reach through an open window and steal your belongings. They will. It has happened before.
- Not all burglars work alone. Be aware of a ruse technique used by some burglars during the warm weather months. One suspect will go to the front door and distract you while another enters through an open window or door. Never open your door to a stranger. If someone does come to your door and you are alone be cautious. Never let anyone into your home. If you feel uncomfortable close your door.
- A simple and common burglary tactic is to knock on doors to check if a residence is occupied. If the burglar hears someone coming to the door they either simply walk away or play it off that they are at the wrong door. If no one answers they might go around back and kick a door in or pry open a window. Anyone going door to door in your neighborhood without obvious reason should prompt a call to the police.
- This advice is not intended to make people paranoid to leave their homes. Burglary is not a crime unique to Treasure Island. It's a continuous problem that occurs frequently across the United States. The frustrating aspect surrounding this crime is that many past burglaries could have been prevented by something as simple as a locked door. There is no absolute way to prevent a burglary. But don't make it easy to get into your home. Often burglars give up if they can't get in quickly.

Tips For Residents Going on Vacation

- **LOCK UP YOUR RESIDENCE.** Be sure that you have quality door locks and deadbolts. Look into getting an alarm system to supplement the physical security of your residence.
- **MAINTAIN A "LIVED IN" APPEARANCE.** If possible, have a trusted neighbor, close friend or relative keep an eye on your home. Be sure they have access to the residence. This is important. In the event something happens at the home the police will need a contact person who will have access and be responsible for the property. You probably don't want to cut your vacation short and rush home. You could have lighting set on a timer or have the person left in charge manage the lights. For extended vacations have your mail stopped. This can be done online: <https://dunsapp.usps.gov/HoldMail.jsp> or in person. If you have newspaper delivery be sure to have this put on hold or let the person in charge of your home take care of it. Before going on vacation be sure your landscaping is maintained. An overgrown lawn adds to the impression that no one is home.
- **NOTIFY.** Let trusted neighbors know you will be away. Obviously, if someone other than a neighbor is checking on the home let the trusted neighbors know so they don't think someone is breaking in...

*Automobiles

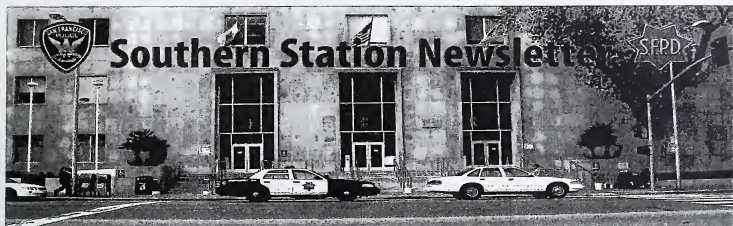
- Don't leave ANY personal or valuable items inside a vehicle.
- Lock all valuables inside the trunk before arriving at your destination.
- Doors should be locked and windows up.
- Use anti-theft devices like "The Club". Or an alarm system
- Removable stereo systems should never be left in a vehicle.
- GPS mapping devices – dash or windshield mounted should never be left in a vehicle
- Report break-ins and thefts to SFPD at 415-553-0123
- Always call the police if you see someone tampering with a vehicle

Special note to parents

- Help your child have a safe summer, visit www.sfkids.org for more information on activities and opportunities for youth in San Francisco.
- The YMCA is running a 7 week summer camp that is free to island residents. Campers will take a bus from the TI YMCA to Bessie Carmichael Elementary School to join the Y's other after school sites for the summer. The bus will leave the TI YMCA at 9am and will return around 5pm. All campers will be home by 6pm. Applications can be picked up at the Treasure Island Y. Each child will need to have an application filled out. Applications are available at the TI Y. For more info, visit the Y, or call contact Lauren Jardot (415-765-9037 - Ljardot@ymcasf.org)
- The Boys & Girls Club will be offering its summer Mendocino Camp program to Treasure Island youth. For more info contact Nicole Cruz, Manager of Camp Administration At 415-445-5477 or email ncruz@kidsclub.org
- **Fireworks, Fire Extinguishers, and pocket bikes** all come with summer and present specific problems for the island. **Fireworks** are dangerous and illegal in San Francisco. Some youth have used **Fire Extinguishers** as toys, discharging them and rendering them useless in an emergency, and even as weapons... **Pocket Bikes** are not allowed on public streets and areas, their use put children and drivers at risk, and the noise is excessive. Please speak with your children about these issues.
- Having the kids around the house so much of the time can be stressful – make time for yourself!

Help make Treasure Island/Yerba Buena Island safer for all of us. Join **Treasure Island Community Watch**. We meet the first Wednesday of each month, 6:30 pm at the ShipShape.

Email TICW@outlook.com to confirm meeting prior to the first Wed. of the month. For more crime prevention information, visit www.SFSafe.org.



850 Bryant Street San Francisco, CA. 94103 (415) 553-1373

Captain Michael Redmond
May 16th, 2014

Captain's Message

The monthly community meeting scheduled for May 21st at Bayside Village has been cancelled and re-scheduled for June 18th. I am sorry for the inconvenience and look forward to seeing everyone in June.

Our SOMA Flag Football team lost a hard fought battle in the city championship at Candlestick Monday 42-35 to Everett Middle School. The kids played great and had a very successful season. We will be celebrating the team's success next Thursday at Bessie Carmichael Middle School. Congratulations to Everett Middle School on winning the Championship.

This weekend will be a busy one here in the Southern with the Giants in town and the Bay to Breakers Race Sunday morning. You will experience street closures starting on Saturday night within the district as the set up for the race takes place. The Bay to Breakers public hotline is 415/231-3130. The hotline is there to field any questions and/or concerns you may have in regards to the race. The hotline went operational today so it is available to you if needed.

Yesterday the Southern Station Mid Market Foot Beat Officers and Plainclothes Officers joined efforts in a safe corridor operation. The focus was from 5th and Market to 7th and Market as well as the 6th Street corridor. The officers made 5 felony arrests, 3 Misdemeanor arrest and one of the subjects arrested had an outstanding warrant. Of the eight arrests one subject was on parole and two others were on probation. The parole and probation officers for those subjects were notified and approved additional charges being placed on the subjects, revoking their parole and probation.
Great Team effort!

Have a great weekend!

Mike

Meetings:

Monthly Community Meeting/Cancelled re-scheduled for June 18, 2014

Date: May 21, 2014/ **Cancelled re-scheduled for June 18, 2014**

Time:

Location:

Coffee with the Foot Beats

Date: May 29th, 2014

Time: 11 am

Location: 6th Street Safety Hub

Special Events:

Bay to Breakers Race

Date: May 18, 2014

Start Time 8 am

SF Giants

Friday v Marlins 7:15 pm

Saturday v Marlins 6:05 pm

Sunday v Marlins 1:05 pm

Monday v Marlins 1:05 pm

Arrest of the Week

On May 14th, at approximately 8:55am, Officers responded to the Walgreens store located on the 500 block of Market Street after receiving a 911 call regarding a stabbing. The reporting party who is employed as the store manager observed a suspicious person walk into the store and select a bag of beef jerky. In blatant view of several employees, the suspect concealed the jerky and began to exit the store. The manager confronted the suspect who then stabbed the victim in the chest using a screwdriver. The suspect then fled the store with his loot and has not been located. The victim was transported to San Francisco General Hospital with non-life threatening injuries.



Following the incident, Southern Station investigators issued a crime alert containing the suspects' picture. An observant officer subsequently located a person matching the suspects' description on May 16th, near the Market Street area. The Victim positively identified the suspect. The 26 year old transient was placed under arrest for the stabbing and robbery of a

single bag of beef jerky. Investigators also learned this suspect is currently on parole and had just been released from custody 4 days ago.

Investigation of the Week



Southern Station Officers responded to a Stalking and restraining Order Violation case last week. The case was forwarded to our Special Victims Unit and the investigators initiated thorough investigation which led to the issuance of an arrest warrant for the suspect. Due to the coordinated effort of SFPD (Southern and SVU) and the SF District Attorney Investigators the suspect was taken into custody yesterday as he arrived back in San Francisco. Great Teamwork getting this person off the streets of SF and into custody!!!!

Significant Arrests

Unsafe Speed

Southern officers were on routine patrol near Harrison Street and 7th Street when they observed a black motorcycle stopped for the red light ahead. As the light turned green, the motorcycle quickly accelerated to a speed well above the posted 25 MPH limit. Based upon the traffic infraction, the officers conducted an enforcement stop and contacted the driver. A registration check was performed on the license plate which revealed the motorcycle had been reported stolen 10 days prior. The 47 year old suspect from San Francisco was placed under arrest for driving a stolen vehicle, driving on a suspended license, and speeding. **Occurred: 05-09-14 at 12:27pm.**

Burglary Warrant Arrest on Treasure Island

Treasure Island Officers responded to number of car break in calls on Saturday 5/10/14. On one such call the officers located a possible suspect leaving the scene. The officers contacted the suspect but unfortunately none of the victims were able to identify this person as the thief. A computer check of the subject revealed that he had an outstanding warrant for an unrelated burglary case. Although we could not make him on the cases Saturday we were able to get him off the streets and are now aware of his presence on the Island. He was transported and booked into County Jail. **Occurred 05/10/2014.**

Driving Drunk and Unlicensed

At approximately 7am on the morning of May 11th, officers were patrolling the area of 7th Street and Market Street when they observed an erratic driver. The 37 year old suspect a San Francisco resident was observed running a red light and squealing the vehicles tires while making a left turn. The white Nissan truck then continued into the bus lane, slowing down and driving with the flashing hazard lights on. Officers conducted a traffic enforcement stop and contacted the driver. The driver who had a suspended license appeared to be under the influence of alcohol.

Field Sobriety tests were performed and test results indicated the driver was almost twice the legal limit. He was placed under arrest and his vehicle was towed from the roadway. **Occurred: 05-11-14 at 6:53am.**

The Consequences of Marijuana

In recent weeks, numerous subjects have been arrested near Market Street and 5th Street for possessing handguns. Therefore plainclothes officers from Southern Station have been paying particular attention to this area. While walking through the area, officers observed three juveniles subjects engaged in a marijuana transaction. Based upon the infraction violation, officers attempted to contact these subjects who immediately fled in different directions. While pursuing a 16 year old juvenile from San Francisco, officers observed the suspect discard a loaded handgun into a nearby garbage can. The suspect was subsequently apprehended and the firearm recovered. The two remaining suspects were unfortunately quicker than the pursuing officers and not located. The juvenile was booked into the Juvenile Justice Center and one more illegal weapon was removed from our City streets. **Occurred: 05-11-14 at 6:38pm.**

Trespassing on Treasure Island

Officers responded to a call regarding a trespasser at an abandoned building on Treasure Island. While responding, the officers noticed a man walking down the hill who matched the description of the trespasser. The Officers spoke to the property management personnel and the employee said that he spotted the aforementioned man inside the premises. One of the Officers was able to detain the man until the employee could positively identify him. The employee signed a citizen's arrest. The suspect said that he slept at the location last night after being invited by kids that he met in San Francisco. He adds that the doors to the location were left unlocked. The suspect was issued a citation and released. **Occurred 05/13/2014 at 10:02 am.**

Warrant Arrest

While on foot patrol at Market and Eddy Streets, two Officers observed a man near the entrance of the Powell Street BART station. The man spoke in a muffled tone about losing his backpack and appeared to be under the influence. Further questioning of the man allowed the officers to discern that the man used methadone that morning. They performed a records check which revealed three outstanding warrants for his arrest issued out of Ventura County. The warrants were confirmed and the suspect was booked into County Jail. **Occurred on 05/13/2014/ at 1:00 am.**

Morning Stroll Gone Wrong

A 26 year old San Francisco resident was riding his bicycle in the mid morning hours on May 14th. He was traveling east on Market Street and approaching 5th Street when he observed an erratic subject in the roadway. As the bicyclist attempted to ride past the suspicious character, he was pushed without provocation. As a result of the attack, the victim lost control of his bicycle and his prosthetic leg was dislodged from his body. Responding officers located the deranged suspect who was placed under arrest for battery. The 41 year old suspect from San Francisco was issued a misdemeanor citation and transported to San Francisco General Hospital on a mental health hold. **Occurred: 05-14-14 at 9:17am.**

Resisting Arrest/Warrant Arrest

Foot Beat Officers were in the area of United Nations Plaza when they observed a wanted fugitive who had a \$500k warrant for theft. After a short foot pursuit, the wanted fugitive apprehended and booked into county jail. **Occurred 5/14/14 ay 12:30pm**

Significant Incidents

Theft from Residence

Officers responded to a call from a man who woke up and discovered his cell phone was not where he left it last night. Nothing else was missing from the house and there was no evidence of a burglary. The victim believed that a member of the household may have taken the phone and requested a police report be generated. **Occurred 4/30/2014 unknown time.**

Workplace Theft

Officers from Southern Station responded to a call regarding a burglary which occurred during an office lunch break. The victims told police while they went to lunch, four Apple laptops and a backpack were stolen from their office. There were no signs of forcible entry and it appears the victims left the business door unlocked while at lunch. No suspect(s) have been identified. **Occurred 5/12/14 between 1:00 pm and 1:50 pm.**

Garage Burglary

Officers responded to a call regarding a burglary. The victim told the officers he placed several items in a locked storage container which was located inside the apartment's garage. When he checked the container again, he noticed that the lock box had been broken into and several personal items were missing. There are no surveillance cameras on the premises and the suspect(s) have not been identified. **Occurred between 05/03/2014 at 4:00 pm and 05/04/2014 at 2:00 pm.**

Shots Fired

Two officers were patrolling the area of 9th Street and Howard Street when they heard several distinct noises consistent with gunshots. Officers subsequently contacted a business owner on the 200 block of 9th Street who confirmed someone had shot into his building. Officers observed several damaged windows along with shell casings on the ground. Apparently the unknown suspects became upset after they were refused alcohol and tobacco due to having no identification. The business owner believed this is the reason why they shot at his building. Video surveillance shows a group of young Hispanic subjects fleeing the area following the gunshots. This investigation is ongoing and no suspects have been arrested, yet. **Occurred: 05-09-14 at 10:45pm.**

Car Break-Ins

While in their patrol car, two Officers were flagged down by a man whose car has been broken into in the parking lot at 200 California Avenue. The victim parked his car and locked the doors and windows. When he came back to vehicle the rear passenger window has been broken into. A Michael Kors purse containing \$700.00, an Amex card and a checkbook was taken from the car. **Occurred 05/10/2014 10:22 pm.**

An Officer was dispatched to Avenue H and 11th street on Treasure Island, to respond to a call regarding auto-burglary. The officer spoke to the victim and she said that she did not see who broke into her car but saw two subjects running and getting into a white van. Officers searched for the white van but were unable to locate the vehicle. The stolen items were inside a computer bag. **Occurred 05/10/2014 between 11:45 am and 11:48 am.**

An Officer responded to another call on Treasure Island regarding an auto burglary. The victim was attending a sporting event on the grass field one block away from where she parked her car.

She returned to her car when the event was done and found the left rear window smashed. The victim's purse was taken from the front seat of her car. **Occurred 5/10/2014 between 10:00 am and 12:00 pm.**

Officers responded to a call on Treasure Island regarding an unknown person inside the victim's vehicle. The victim happened to look out of her window thinking that the guests she was expecting have arrived; instead she observed the suspect inside her car bent over the rear seat rummaging through the cargo area. Seeing no broken glass on the ground that victim grabbed her key fob and locked the suspect inside the vehicle. She then heard the glass shatter so she ran to her front door. She saw a male suspect running away from the vehicle, the doors to her car were still closed and the suspect appeared to have crawled out of the broken window. Officers searched the immediate area and were unable to locate the suspect. **Occurred 05/11/2014 at 02:35 am.**

Officers responded to the 600 block of 8th Street on the report of an auto burglary which had just occurred. The victim said she was seated near an adjacent baseball park when she observed a suspicious subject near her parked vehicle. Before she could react, she observed the suspect smash her vehicle window and steal her purse from the seat. The suspect jumped into a waiting white Mercedes, which quickly drove away. **Occurred: 05-11-14 at 2:29pm.**

Commercial Burglary

Officers responded to 273 9th Street on a reported commercial burglary. Officers met with the manager of the business who stated that employees left the building on 5/13/14 at 7 pm. The employees locked and secured the building when they left. The manager stated that he came to work Wednesday morning and noticed damage to the back door. An inventory of the business revealed two laptop computers had been stolen by the unidentified suspect. **Occurred 5/13/14 7pm to 5/14/14 8 am.**

Stolen Auto

Officers responded to a stolen auto call at 180 Spear Street. Upon arriving, they met with the victim who told the officers his car had been stolen. The victim said that he was inside of 180 Spear Street for 10 to 20 minutes, came back and his car was gone. The victim looked down the street and saw his car driving away. He ran after his car and was able to catch up to the vehicle. He saw 2 suspects inside and he attempted to open the passenger side door, but it was locked. The car then sped off west on Howard. The victim advised the officers that he left his keys in the vehicle while he was in 180 Spear Street. **Occurred 5/14/14 at 9pm.**

Aggravated Assault

Plainclothes Officers were driving up 6th Street when the car in front of them came to a sudden stop. The passenger door swung open and they observed a male subject run into the corner store. The corner store had clear windows so the officers continued to watch the subject believing a crime was about to occur in front of them. As the officers watched, the subject approached a female inside the store and with full force punched her in the face knocking her to the ground. The suspect fled the store attempting to get to the getaway car. The suspect fortunately did not get to the vehicle and was introduced to the Station Plainclothes Officers who took him into custody. The officers contacted the victim who was very shaken up but sustained non-life threatening injuries. The store had video surveillance which also captured the incident. The suspect was later booked for Aggravated Assault and his Parole was violated. ***Who said there is never a cop around when you need one?* Occurred 5/15/14 @ 10:23 pm**

Auxiliary

Law

Enforcement

Response

Team

Are you someone who is interested in disaster preparedness and wants to help out your community while working hand in hand with law enforcement? Then the ALERT program is for you!

SAN FRANCISCO POLICE DEPARTMENT



Auxiliary Law Enforcement Response Team (ALERT)



ALERT Training Instructor, Officer Roly Canales with K-9 partner Pyro.

Mark Hernandez
ALERT Program Coordinator
San Francisco Police Department
Training Division
350 Amber Drive
San Francisco, Ca 94131
(415)-401-4615
sfpdalert@sfgov.org
www.SanFranciscoPolice.org/alert

What is the ALERT Program?

The San Francisco Police Department has developed a volunteer citizen disaster preparedness program. The Auxiliary Law Enforcement Response Team (ALERT) is modeled after and works in partnership with the San Francisco Fire Department's Neighborhood Emergency Response Team (NERT). The ALERT program will train members of the public to assist law enforcement in essential tasks after a major disaster. Such tasks may include: traffic control, foot patrol of business and residential areas, and reporting criminal activity. Volunteers must be at least 16 years of age and live, work, or attend high school in San Francisco.

Three steps to becoming an ALERT volunteer:

1. Complete NERT training and receive certification. To register for NERT training courses please visit www.sfgov.org/sfnert
2. Once NERT certified, forward a copy of your NERT ID card to the ALERT program. sfpdalert@sfgov.org
3. After clearing a basic background check the individual is eligible to register for ALERT training.

Like us on facebook
(www.facebook.com/SFPDALERT)



Important Dates:

- A informational meeting will be held on March 6th, at 7:00pm. The meeting will be held at the San Francisco Police Academy in the parking lot bungalow. This is not a mandatory meeting for interested volunteers. Come have your questions answered!
- Our next training class has been scheduled for Jan. 18th, 2014, from 8:00am-5:00pm. This class will be held at the San Francisco Police Academy, in the parking lot bungalow. **

**To view a detailed explanation of the pre-requisites please visit www.sanfranciscopolice.org/alert

becitysmart[®]

Before leaving your vehicle:

Lock any items, bags, or packages in your trunk before reaching your destination.

Remove, or hide from sight, small items of value:

(Phone, charging cords, camera, GPS, money, etc.)

The best way to prevent a break - in is to leave your vehicle looking empty.

Always lock your vehicle, close windows and sunroof.

Do not hide spare keys in your vehicle, always take your garage opener with you.

NON-EMERGENCY INFORMATION

For non-emergency police:
415-553-0123

ONLINE REPORTING

Citizens can access the service via the SFPD website at:

www.sf-police.org

Select the Online Reporting Icon.

Citizens can make reports for Harassing Telephone Calls, Auto Burglary, Graffiti, Vandalism, Lost Property and Theft.

Additional types of reports may be added to the system.

FIRE
POLICE
MEDICAL
EMERGENCY

**DIAL
9-1-1**



www.sf-police.org



www.sfsafe.org
415 553 1984



Becitysmart is a registered trademark of the
Southern District CPAB



SOUTHERN STATION RESOURCE LIST

EMERGENCY	911
Non-Emergency	553-0123
SFPD Anonymous Tip Line	575-4444
Customer Service Center	311
Southern Station	553-1373
<i>Southern Station Anonymous Tip Line</i>	<i>552-4901</i>
Web (For Crime Stats, Internet reports, etc.)	www.sfgov.org/police
Southern Station email	sfpd.southern.station@sfgov.org
Captain Michael Redmond	michael.redmond@sfgov.org
Lieutenant Greg Kane (Station Investigations)	greg.kane@sfgov.org
Day Watch Platoon Commanders	553-1373
<i>Lieutenant Chuck Limbert</i>	charles.limbert@sfgov.org
<i>Lieutenant Steve Mannina</i>	steven.mannina@sfgov.org
Swing Watch Platoon Commanders	553-1373
<i>Lieutenant Teresa Gracie</i>	teresa.gracie@sfgov.org
<i>Lieutenant Dave Falzon</i>	dave.falzon@sfgov.org
Market Street Foot Beats	553-1373
<i>Lieutenant Scott Heidohrn</i>	scott.heidohrn@sfgov.org
<i>Sergeant Brian Oliver and Sergeant Ron Liberta</i>	brian.oliver@sfgov.org , ronald.liberta@sfgov.org
Southern Plainclothes Unit	
<i>Sergeant Darren Nocetti</i>	darren.nocetti@sfgov.org
Graffiti Abatement	278-9454
Graffiti Fax	278-9456
Southern Station Events	553-9191
<i>Sergeant John Conway</i>	john.conway@sfgov.org
Southern Station Permits / Code Abatement	553-9192
<i>Officer Simon Chan</i>	simon.chan@sfgov.org
Southern Station- District Attorney	553-1252
<i>Marisa Rodriguez</i>	marisa.rodriguez@sfgov.org
Deputy City Attorney – Southern District	554-3887
<i>Jennifer Choi</i>	jennifer.choi@sfgov.org
DPW	695-2020 Dispatch (24hrs)
Dept. Parking & Traffic	553-1943
Quality of Life Liaison/Homeless Outreach	553-1373 Officers Miolanen, Reyes and Toney
SF SAFE	553-1984 Allison Burke
	www.sfsafe.org
<i>SF Homeless Outreach Team (24 hour dispatch)</i>	<i>734-4233</i>

A Message from SF SAFE:



Watch streets become communities, and neighbors become friends. Watch crime go down, as security goes up. Watch police become partners as you join with them in making your neighborhood a better place to live.

Start a Neighborhood Watch on your block and see all these things happen! SF SAFE (Safety Awareness for Everyone) will give you the knowledge and tools to create a stronger, more cohesive and resilient community, and teach you how to be prepared and empowered at work, on the streets or sidewalks and in your home.

Contact SF SAFE at 415-553-1984 or learn more at www.sfsafe.org

A Message from Community Boards



COMMUNITY BOARDS
Building Community Through Conflict Resolution

Are you having difficulty with someone? A loud neighbor? Disrespectful roommate? Unresponsive landlord? Community Boards' **Neighborhood Mediation Program** can assist you with quality of life issues (noise, parking, pets, graffiti, maintenance, etc) or relationship conflicts (family members, roommates, landlords, neighbors, etc).

A mediation is a confidential and voluntary meeting where people discuss difficulties they are having with each other assisted by impartial third-parties, our mediators. Our mediators are trained to help people come up with workable and lasting solutions. They don't give advice or make judgments. The goal is to help everyone feel heard, understood and respected.

We offer our services in English, Spanish, Mandarin and Cantonese at low- to no-cost. No one is turned away for lack of funds. Contact Community Boards at (415) 920-3820 x100 or learn more at www.communityboards.org.

New Program from SF SAFE

www.safebikes.org

SF SAFE, in partnership with the San Francisco Police Department has launched a new program called SAFE Bikes. This is a no cost bicycle registry program administered by San Francisco SAFE. Anyone can register their bicycle by going to www.safebikes.org and clicking on the registration icon. SAFE in collaboration with the San Francisco Bicycle Coalition, and several local businesses are undertaking a citywide educational campaign to teach people how to protect themselves against bike theft/burglary by recommending locking strategies and suggesting theft prevention tips.

The registration portion of SAFE Bikes is just beginning and can be a useful tool down the road if people register their bicycle. A Police Officer will be able to identify a registered bicycle on the street by the metallic sticker specifically made for this bicycle registration program. Each person receives a sticker when they register their bicycle. I encourage everyone to go to www.safebikes.org and utilize this free service offered.

311 Customer Service Center:

What is 311? 311 is a toll free, **NON-EMERGENCY** phone number that the public can call to access information about government services. A live customer service representative will be available 24 hours a day, seven days a week, and 365 days a year. The service is available to both wired and wireless customers. Wireless customers should call (415) 701-2311. 311 employees will be able to provide translations services in more than 145 languages and dialects and will employ a diverse staff of customer service representatives. Additionally, 311 is set up to accept calls from the hearing impaired by utilizing a TTY System.

*311 will also take police reports if you DO NOT have any suspect description and the crime is not in progress. After meeting these conditions these are the reports 311 will take: Harassing phone calls, vehicle break in, vehicle tampering, lost property, theft, and vandalism/graffiti reports.

COMMUNITY INVOLVEMENT OPPORTUNITIES

SFPD ALERT Program



San Francisco Police Department Auxiliary Law Enforcement Response Team (ALERT)

The San Francisco Police Department has developed a volunteer citizen disaster preparedness program. The Auxiliary Law Enforcement Response Team (ALERT) will recruit, train, credential, and uniform volunteers to assist law enforcement in the event of a natural or manmade disaster. Volunteers must be at least 16 years of age and live, work, or attend high school in San Francisco. For a comprehensive overview of the ALERT program, please visit our webpage at www.sanfranciscopolice.org/alert

SF NERT Program

The San Francisco Neighborhood Emergency Response Team (NERT) is free training from the San Francisco Fire Department in how to help yourself and your neighbors prepare for and respond to a disaster by working together. The 20-hour training includes personal preparedness, light search and rescue, disaster medicine, shutting off your utilities, and how to participate as a member of a neighborhood response team. NERT also offers continuing training for graduates, and activities that support building robust neighborhood teams. For more information, visit the NERT website at <http://sfgov.org/sffdnert>, or contact Lt. Erica Arteseros at (415) 970-2022 or sffdnert@sfgov.org.

Community Resources/Information

- South of Market neighborhood preparedness: <http://southbeachsafety.com/>



Join the San Francisco Arts Commission to learn more about the artwork for the Community Plaza at the new Public Safety Building.

WHEN: Monday, May 19, 2014, 6 – 7 p.m.

WHERE: Mission Creek Park Pavilion, 290 Channel Street

Artist Paul Kos was commissioned by the Arts Commission to design a site-specific installation for the Public Safety Building's Community Plaza. The Plaza was designed as a gathering space where people can sit, talk and enjoy the outdoors. The design features a seven-point sculptural police star made of Sierra black granite and a bronze bell that will strike three times at noon to signify "All is Well." The bell's tone is a deep, resonate sound – D below middle C – and its reverberations are reflected in the paving pattern.

For more information contact: Mary Chou at 415-252-2551/mary.chou@sfgov.org or visit sfartscommission.org/publicartcollection.

如需協助, 415-252-2536. Para asistencia, llamar a 415-252-4638

The venue is wheelchair accessible and accessible along the 19, 44 and 54 MUNI Lines.

Per the American Disabilities Act and the Language Access Ordinance, Chinese, Spanish, and/or American Sign Language interpreters will be available upon request.

De acuerdo con la Ley sobre Estadounidenses con Discapacidades (American Disabilities Act) y la Ordenanza de Acceso a Idiomas (Language Access Ordinance) intérpretes de chino, español, y lenguaje de señas estarán disponibles de ser requeridos.

根據美國殘疾人士法案和語言服務條例，中文、西班牙語、和/或美國手語翻譯人員在收到要求後將會提供翻譯服務。



850 Bryant Street San Francisco, CA. 94103 (415) 553-1373

Captain Michael Redmond
May 25th, 2014

Captain's Message

On Wednesday, I was very honored to receive a call from Chief Suhr appointing me to Commander of Metro Division. Effective Saturday, I will be now be overseeing Central (Captain Lazar), Southern (Captain Roualdes), Mission (Captain Perea), Northern (Captain McEachern) and Tenderloin (Captain Cherniss) Police Districts. Friday was my last day as the Commanding Officer at Southern Station. I have truly enjoyed my time at Southern and will miss all of the personnel that have worked for me, as well as the many community members I have been able to work with over the last 18 months.

Captain Bill Roualdes will be the new Commanding Officer at Southern Station. Chief Suhr has selected an excellent police leader to take over Southern and I have the utmost confidence in him. Captain Roualdes has worked the Southern Police District for a good part of his 30 plus year career.

Central Station also had a change at the top with Captain Garret Tom being appointed to Commander of Golden Gate Division (Bayview, Park, Richmond, Taraval and Ingleside Stations). Captain Dave Lazar will assume command of Central Police District. Captain Lazar is another experienced leader that is going to bring a lot of energy and excitement to the Central Police District.

Once again thank you to everyone who has helped me and I look forward to working with you all in the years to come to make San Francisco a safe place for everyone.

Have a great Memorial Day weekend!

Mike

Meetings:

Monthly Community Meeting/

Date: June 18, 2014

Time: 6:30 pm

Location: Bayside Village

Coffee with the Foot Beats

Date: May 29th, 2014

Time: 11 am

Location: 6th Street Safety Hub

Special Events:

SF Giants

May 23-25 v Minnesota Twins

May 26-28 v Chicago Cubs

Arrest of the Week

On May 7th, a local Metro PCS store manager came to work and observed a display case damaged and open. An inventory of the case revealed a missing cellular phone valued at over \$700. Surveillance video of the display case revealed a know thief by the name of Jerome Hambrick. Hambrick was observed cutting the display case open and stealing a cell phone, all while the store was bustling with activity. Foot beat officers reviewed the camera footage and easily identified Hambrick as the suspect. This is partially due to a leg cast Hambrick has been wearing.



Based upon this video, officers established probable cause to arrest Hambrick for burglary and theft with a prior conviction. Hambrick is no stranger to the justice system and is currently out on PRCS (community supervision) for burglary. Over the course of the last month, Hambrick has been arrested in connection with multiple retail thefts and burglaries occurring within the downtown area of San Francisco. In addition to his recent arrests, Hambrick has a length criminal history with dozens of theft related arrests within San Francisco. Luckily, the District Attorney's office has decided to prosecute on this recent arrest which can be contributed to the business owner and tenacious officers who are trying to make a difference one case at a time.

Significant Arrests

CAR BREAK-IN

A 911 caller heard a window break and observed a male suspect reaching into a parked vehicle, removing a backpack from inside. The Officers who responded to the scene were able to locate the owner of the vehicle and confirmed the passenger window was not damaged beforehand. The Officers then provided information regarding the crime to other offices. A Patrol Sergeant subsequently stopped a subject who fit the description given by the witness. The man was also carrying a backpack during the stop. As he was being detained the man asked for a lawyer. The original caller identified the subject detained as the person who broke into the car. The stolen backpack was returned to the rightful owner. The suspect was booked into county jail following a brief stop at San Francisco General Hospital due to medical complaints. **Occurred 5/18/2014 – SOMA**

UNSAFE BICYCLE OPERATOR

A man was observed riding against traffic on Market Street while swerving back and forth in the bike lane. He eventually lost control and made contact with the sidewalk. The Officers who witnessed this suspicious behavior initiated an enforcement stop to check on his sobriety. When asked for his identification, the suspect began searching through his fanny pack. As he was doing so, the suspect removed a small plastic bag containing a white crystal substance believed to be methamphetamine. The suspect was subsequently booked into county jail. In addition to the suspected methamphetamine, officers located heroin as well. **Occurred 5/19/2014 – Market Street**

UNFRIENDLY FARMERS MARKET

Mid-Market Foot beat officers were tipped off by vendor's in the Farmer's Market area regarding people selling illegal narcotics behind their booths. One of the Officers approached a vendor's booth from the front, and observed one of the suspected men engaged in a suspicious conversation with another person. The suspect was made aware by his partner that an Officer was behind him and so this man walked away from the booth carrying a water bottle. Based upon the Officers' experience, suspects hold narcotics in their mouth in order to quickly swallow the contraband if stopped by the police. The subject was contacted and refrained from swallowing water he was holding a water bottle. The suspect attempted to swallow the narcotics without water, however he was unsuccessful. The suspect spit out twelve individually wrapped packages of crack cocaine. The suspected cocaine base was seized as evidence and the man was placed under arrest. **Occurred 5/19/2014 – United Nations Plaza**

NARCOTICS ARREST

The area of 7th Street and Market Street is filled with heavy pedestrian traffic throughout the majority of each day. Foot beat officers were called to the attention of a bicyclist riding unsafely on the sidewalk weaving in and out of walking pedestrians. After affecting an enforcement stop, officers learned the bicyclist was on parole. A search incident to his parole status revealed the 38 year old San Francisco resident was in possession of methamphetamine and crack cocaine. He was placed under arrest for the illegal narcotics and booked into county jail. **Occurred: 5/21/14 – Market Street @ 7th Street**

PLAIN VIEW

Foot beat officers were walking the beat near 6th Street and Minna Street; an area well known for illegal narcotics. They approached two unsuspecting characters and observed behavior consistent with the sales of narcotics. The officers observed one suspect spit out an item into his hand and then give it to another in exchange for currency. Suspects are known to keep narcotics stored in their mouth in order to swallow contraband if stopped by police. Based upon the transaction, officers detained both suspects. The seller attempted to swallow the narcotics but was unsuccessful. Officers subsequently recovered 5 additional baggies of crack cocaine. Both men were booked into county jail. **Occurred – 5/21/14 – 6th Street.**

TRESPASSING

Officers responded to a trespassing call on Treasure Island. When they arrived on scene, a Security Officer informed them of two men sleeping in the backyard of a vacant home. The Security Officer signed a citizen's arrest on behalf of the property manager and requested the two trespassers be arrested. Both individuals were contacted and issued a misdemeanor citation for trespassing. The suspects were then escorted off the island. **Occurred 5/17/2014 – Yerba Buena Island**

MISCHIEVOUS YOUTHS

Officers responded to a possible residential burglary in progress. The caller stated she was hearing noises from a vacant apartment next door. The Officers inspected the property and saw a broken sliding door on the 2nd story balcony of the unit. They also observed people attempting to flee the scene through the front door. They Officers were able to detain 5 juveniles, who were taken into custody for trespassing. The parents and guardians of the juveniles were contacted and subsequently took custody of their mischievous children after they were cited for the trespassing. **Occurred 5/17/2013 – Treasure Island**

VANDALISM

A security officer for an establishment at Treasure Island saw a man climb on top of a black BMW and proceed to kick the windshield of the car resulting in damage to the vehicle. The security officer ran towards the man inflicting the damage and yelled for him to stop. The man then fled to his Impala and started to drive off. The security officer was able to flag down officers who stopped the fleeing vehicle. There were four passengers in the Impala, of which the driver was identified as the man who kicked the windshield. He was taken into custody and booked at Southern Station. **Occurred 5/17/2014 – Treasure Island**

Significant Incidents

BURGLARY

Officers were dispatched to the South Park area regarding a possible burglary. The Officers met with the caller who reported that at around 4 pm he left his apartment door locked and went for a bike ride. When he returned an hour later he saw that his apartment door has been damaged and that someone appeared to have gained entry. He reported that his briefcase containing his laptop was taken. The victim also stated his Ipad and wallet was stolen. The suspect has not been identified or located. **Occurred 5/16/2014 – South Park Area**

ROBBERY

Officers responded to a call regarding a robbery near United Nations Plaza on Market Street. The officers spoke to the victim who told them she was waiting for the 49 bus with a friend when an unknown black male suspect who was wearing a dark hooded sweatshirt approached them from behind and grabbed her purse. The suspect pulled the purse hard enough to cause the strap to snap off the victim's shoulder. The suspect fled as the victim's friend chased after him. A second suspect intervened by knocking the pursuing friend down to the ground. Both suspects ran away towards UN Plaza and into the Tenderloin district. **Occurred 5/17/2014 - UN Plaza and Market Street**

BATTERY WITH SERIOUS INJURIES

Officers responded to a report of a fight. When they arrived on scene, 3 people were being detained, and 2 were being transported to SFGH. The two victims being transported said they were attacked by restaurant staff but were unable to identify their attackers. Further inquiry by the Officers yielded a much different story from restaurant staff. The manager stated he observed his staff in an altercation with a group of males who were urinating in front of the restaurant. A fight ensued and the manager was struck on the face several times with a fist. One of the other employees stated the fight was mutual and officers were unable to determine who the aggressor was. The detained men were medically treated and released from scene. **Occurred 5/18/2014 - Folsom St.**

AGGRAVATED ASSAULT

Officers were dispatched to a call regarding an assault at a residential facility. When they arrived they contacted a familiar resident. This same resident had been contacted the day prior by the same officers for the same type of incident with the same suspect. The resident told the Officers the suspect from the day before assaulted the front desk clerk. The Officers went inside the residence and located the front desk clerk who seemed very distraught and disoriented. The victim said he was struck in the face by the suspect at least ten times because the suspect refused to obey the facilities kitchen policy. The desk clerk says he fell to the ground and covered his face to shield it from the punches but the suspect kept punching him. The desk clerk could not remember if he lost consciousness or not. One of the residents came into the office and yelled at the suspect to stop. The suspect then fled from the scene towards an unknown direction. The Officers called for an ambulance to the scene and the victim was taken to the hospital. The suspect has been identified and a warrant will be issued for his arrest. **Occurred on 5/19/2014 - Market Street**

CAR BREAK-IN'S

An Officer was patrolling Treasure Island when he was flagged down by a person whose car had been broken into. The victims left the vehicle parked with a laptop, iPad, and a bag inside the passenger compartment. When the victim returned from a 40 minute walk, he found the passenger window smashed and his property stolen. No witnesses were located and no cameras were in the area. **Occurred 5/17/2014 - Treasure Island**

While patrolling the area, an Officer noticed two vehicles parked with shattered rear windows parked about 20 feet away from each other. One of the vehicle owners came up to the officer to report that she was watching a lacrosse game and had no idea what had happened. Stolen from

her vehicle was a purse with a jacket inside. No suspects were found. **Occurred 5/17/2014 - Treasure Island**

A victim came to Southern Station to report a car break in. The victim parked his vehicle on the street between Harrison and Spear. When he returned to his vehicle approximately 3 hours later he found his rear passenger window smashed. Taken from the vehicle was a briefcase, cash, a passport, an access card and an iPad. **Occurred 5/19/2014 - Harrison and Spear Street**

A victim came to Southern Station to report an auto burglary. She parked and secured her vehicle at Brannan Street around 3 am. When she came back 9 hours late, the victim found her rear passenger side window smashed. Taken from the vehicle was a storage box containing gym clothing. **Occurred 5/16/2014 - Harrison street**

BATTERY

Two residents of 172 6th Street were in the lobby when a fight broke out between them. The 38 year old victim overheard the suspect yelling at a postal employee who was delivering mail. The suspect became upset that he did not receive any mail and continued to harass the mailman. The victim intervened and told the suspect to stop harassing the mailman. The suspect was not receptive to the victim's comments and therefore punched him in the face. The victim fell to the ground and the suspect fled the scene. Investigation continuing. **Occurred 5/21/14 - 6th Street**

STABBING

Officers responded to the 1100 block of Market Street on the report of a stabbing which occurred near the BART station. Upon arrival, they located the victim near the Burger King. The victim was delirious and uncooperative. The officers learned the victim had been stabbed 3 hours prior but no motive or suspect information was provided. The victim stated he was "running from the devil." The victim was transported to San Francisco General Hospital for a non-life threatening wound. **Occurred 5/21/14 - 1200 Market St**



Before leaving your vehicle:

NON-EMERGENCY INFORMATION

For non-emergency police:
415-553-0123

ONLINE REPORTING

Citizens can access the
service via the SFPD
website at:

www.sf-police.org

Select the Online Reporting
Icon.

Citizens can make reports
for Harassing Telephone
Calls, Auto Burglary,
Graffiti, Vandalism, Lost
Property and Theft.

Additional types of reports
may be added to the system.

**FIRE
POLICE
MEDICAL
EMERGENCY**

**DIAL
9-1-1**

Lock any items, bags, or packages
in your trunk before reaching your
destination.

Remove, or hide from sight, small
items of value:

(Phone, charging cords, camera,
GPS, money, etc.)

The best way to prevent a break - in
is to leave your vehicle looking
empty.

Always lock your vehicle, close
windows and sunroof.

Do not hide spare keys in your
vehicle, always take your garage
opener with you.



www.sf-police.org



www.sfsafe.org
415 553 1984



Becitysmart is a registered trademark of the
Southern District CPAB



SOUTHERN STATION RESOURCE LIST

EMERGENCY	911
Non-Emergency	553-0123
SFPD Anonymous Tip Line	575-4444
SF Customer Service Center	311
Southern Station	553-1373
<i>Southern Station Anonymous Tip Line</i>	<i>552-4901</i>
Web (For Crime Stats, Internet reports, etc.)	www.sfgov.org/police
Southern Station email	sfpd.southern.station@sfgov.org
Southern Station Twitter	@Southernsfpd
Captain Michael Redmond	michael.redmond@sfgov.org
Lieutenant Greg Kane (Station Investigations)	greg.kane@sfgov.org
Day Watch Platoon Commanders	553-1373
<i>Lieutenant Chuck Limbert</i>	charles.limbert@sfgov.org
<i>Lieutenant Steve Mannina</i>	steven.mannina@sfgov.org
Swing Watch Platoon Commanders	553-1373
<i>Lieutenant Teresa Gracie</i>	teresa.gracie@sfgov.org
<i>Lieutenant Dave Falzon</i>	dave.falzon@sfgov.org
Market Street Foot Beats	553-1373
<i>Lieutenant Scott Heidohrn</i>	scott.heidohrn@sfgov.org
<i>Sergeant Brian Oliver and Sergeant Ron Liberta</i>	brian.oliver@sfgov.org , ronald.liberta@sfgov.org
Southern Plainclothes Unit	
<i>Sergeant Darren Nocetti</i>	darren.nocetti@sfgov.org
Graffiti Abatement	278-9454
Graffiti Fax	278-9456
Southern Station Events	553-9191
<i>Sergeant John Conway</i>	john.conway@sfgov.org
Southern Station Permits / Code Abatement	553-9192
<i>Officer Simon Chan</i>	simon.chan@sfgov.org
Southern Station- District Attorney	553-1252
<i>Marisa Rodriguez</i>	marisa.rodriguez@sfgov.org
Deputy City Attorney – Southern District	554-3887
<i>Jennifer Choi</i>	jennifer.choi@sfgov.org
DPW	695-2020 Dispatch (24hrs)
Dept. Parking & Traffic	553-1943
Quality of Life Liaison/Homeless Outreach	553-1373 Officers Miolanen, Reyes and Toney
DPH Air, Sound and Radiation Program	415/252-3800 (Noise Control Officer) 415/252-3911
Entertainment Commission	www.sfgov.org/entertainment/415-554-6678
SF SAFE	553-1984 Allison Burke www.sfsafe.org
<i>SF Homeless Outreach Team (24 hour dispatch)</i>	<i>734-4233</i>

A Message from SF SAFE:



Watch streets become communities, and neighbors become friends. Watch crime go down, as security goes up. Watch police become partners as you join with them in making your neighborhood a better place to live.

Start a Neighborhood Watch on your block and see all these things happen!

SF SAFE (Safety Awareness for Everyone) will give you the knowledge and tools to create a stronger, more cohesive and resilient community, and teach you how to be prepared and empowered at work, on the streets or sidewalks and in your home.

Contact SF SAFE at 415-553-1984 or learn more at www.sfsafe.org

A Message from Community Boards



COMMUNITY BOARDS
Building Community Through Conflict Resolution

Are you having difficulty with someone? A loud neighbor? Disrespectful roommate? Unresponsive landlord? Community Boards' **Neighborhood Mediation Program** can assist you with quality of life issues (noise, parking, pets, graffiti, maintenance, etc) or relationship conflicts (family members, roommates, landlords, neighbors, etc).

A mediation is a confidential and voluntary meeting where people discuss difficulties they are having with each other assisted by impartial third-parties, our mediators. Our mediators are trained to help people come up with workable and lasting solutions. They don't give advice or make judgments. The goal is to help everyone feel heard, understood and respected.

We offer our services in English, Spanish, Mandarin and Cantonese at low- to no-cost. No one is turned away for lack of funds. Contact Community Boards at (415) 920-3820 x100 or learn more at www.communityboards.org.

New Program from SF SAFE

www.safebikes.org

SF SAFE, in partnership with the San Francisco Police Department has launched a new program called SAFE Bikes. This is a no cost bicycle registry program administered by San Francisco SAFE. Anyone can register their bicycle by going to www.safebikes.org and clicking on the registration icon. SAFE in collaboration with the San Francisco Bicycle Coalition, and several local businesses are undertaking a citywide educational campaign to teach people how to protect themselves against bike theft/burglary by recommending locking strategies and suggesting theft prevention tips.

The registration portion of SAFE Bikes is just beginning and can be a useful tool down the road if people register their bicycle. A Police Officer will be able to identify a registered bicycle on the street by the metallic sticker specifically made for this bicycle registration program. Each

person receives a sticker when they register their bicycle. I encourage everyone to go to www.safebikes.org and utilize this free service offered.

311 Customer Service Center:

What is 311? 311 is a toll free, **NON-EMERGENCY** phone number that the public can call to access information about government services. A live customer service representative will be available 24 hours a day, seven days a week, and 365 days a year. The service is available to both wired and wireless customers. Wireless customers should call (415) 701-2311. 311 employees will be able to provide translations services in more than 145 languages and dialects and will employ a diverse staff of customer service representatives. Additionally, 311 is set up to accept calls from the hearing impaired by utilizing a TTY System.

*311 will also take police reports if you DO NOT have any suspect description and the crime is not in progress. After meeting these conditions these are the reports 311 will take: Harassing phone calls, vehicle break in, vehicle tampering, lost property, theft, and vandalism/graffiti reports.

COMMUNITY INVOLVEMENT OPPORTUNITIES

SFPD ALERT Program



San Francisco Police Department Auxiliary Law Enforcement Response Team (ALERT)

The San Francisco Police Department has developed a volunteer citizen disaster preparedness program. The Auxiliary Law Enforcement Response Team (ALERT) will recruit, train, credential, and uniform volunteers to assist law enforcement in the event of a natural or manmade disaster. Volunteers must be at least 16 years of age and live, work, or attend high school in San Francisco. For a comprehensive overview of the ALERT program, please visit our webpage at www.sanfranciscopolice.org/alert

SF NERT Program

*The San Francisco Neighborhood Emergency Response Team (NERT) is **free training** from the San Francisco Fire Department in how to help yourself and your neighbors prepare for and respond to a disaster by working together. The 20-hour training includes personal preparedness, light search and rescue, disaster medicine, shutting off your utilities, and how to participate as a member of a neighborhood response team. NERT also offers continuing training for graduates and activities that support building robust neighborhood teams. For more information, visit the NERT website at <http://sfgov.org/sffdnerf>, or contact Lt. Erica Arteseros at (415) 970-2022 or sffdnerf@sfgov.org.*

Community Resources/Information

- South of Market neighborhood preparedness: <http://southbeachsafety.com/>

THE CONTINENTAL
The Luxury
of Spontaneity



LEARN MORE

THE NEW CONTINENTAL GT V8 S



CONTRIBUTE

Like 37%

Log In

Sign Up

Connect

15

must read
articles

NEWS

TECHNOLOGY

SCIENCE

INTERNET

A&E

LIFE

SPORTS

BUSINESS

Search ...



TRENDING NOW

Dr Ingrid Visser

Timothy Spall

Croatia

Amarillo

Paul Burgoyne

Christopher Egan

Politics



Press Release

More press releases

Recommend Share 0

The Winery San Francisco Recognized for Top Pinot Noir

PR Newswire

SAN FRANCISCO, May 16, 2014


SAN FRANCISCO, May 16, 2014

/PRNewswire/ — The Winery San Francisco, or The Winery SF, a thriving urban winery located on San Francisco's historic Treasure Island, has recently received top honors for their newly released 2012 Pinot Noir.

Photo -

Tweets


Follow



Digital Journal
@digitaljournal

Questions Udoji asks when creating a new vertical: are there many sources on this issue already? Will it have high impact? #meshcon


5m



Digital Journal
@digitaljournal

News Deeply working on creating verticals focused on the Arctic, the Congo, Alzheimer's and more. #meshcon

8m



Digital Journal
@digitaljournal

News agencies are downsizing the size of their foreign bureaus, making quick reporting difficult. #meshcon

12m

Tweet to @digitaljournal

TOP NEWS

LATEST NEWS

Inability to taste fat leads to obesity, says study

Recommend

Azkals battle Maldives in semifinals of AFC Challenge Cup

<http://photos.prnswire.com/pm/20140515/88118>

Photo - <http://photos.prnswire.com/pm/20140515/88119>

The Winery SF's 2012 North Coast Pinot Noir earned 2nd place at the 2014 Pinot Noir Summit, where close to 500 Pinot Noirs were compared from around the globe. A diverse panel of 40 wine professionals, including famed Pinot Noir writer, William "Rusty" Gaffney, M.D., the Prince of Pinot, judged nearly 500 Pinot Noir wines in January and selected 44 Pinot Noir wines to be

served at the "blind tasting" at the Pinot Noir Summit. On March 9, 2014 at the Golden Gate Club in the Presidio, hundreds of wine enthusiasts and experts in the wine industry attended the Pinot Noir Summit to select the top Pinot Noir in the United States.

Last week, the winners of the Pinot Noir Summit were announced and The Winery SF's 2012 North Coast Pinot Noir earned 2nd place for the Top Pinot Noir in America. More incredibly, this wine was one of the most affordable wines in the contest at only \$29.99 a bottle.

"I love Pinot Noir but paying \$50 or \$60 a bottle for a great Pinot Noir is often difficult for people," winemaker Bryan Kane said. "It thrills me to be able to present a world class Pinot Noir that is reasonably priced for the average consumer."

Additionally, in January, The Winery SF's 2010 North Coast Cabernet Sauvignon took home the "Best of Class" award in the 2014 San Francisco Chronicle Wine Competition – which marks the first time since Prohibition that a San Francisco-based winery has won top honors from the San Francisco Chronicle.

The Winery SF's outstanding 2012 North Coast Pinot Noir will be featured at the upcoming 10th annual [Pinot Days](#) in San Francisco, the biggest Pinot Noir tasting in the world. The event will take place on **Saturday, June 21 at City View at the Metreon** in San Francisco. Tickets for the public are \$75 or \$125 (VIP) and can be purchased [online](#).

About The Winery SF

The Winery SF, located on historic Treasure Island with breathtaking views of the Bay Area, is a winery, tasting room and event center. Producing hand-crafted wines in a traditional, old-world manner, The Winery SF offers a large number of boutique wines, creating an unforgettable wine experience for individuals, groups, and guests of San Francisco. The winery's 20,000-square-foot winemaking facility allows visitors to see the winemaking process first-hand and experience highly rated boutique wines from our top winemaking team from Napa, Sonoma, and beyond. To learn more about The Winery SF, please visit www.winery-sf.com.

For media inquiries, please contact:

Kira Cooper
SF Wine Group
T: 415-735-8423
[Email](#)

SOURCE The Winery San Francisco

 **NEXT UP:** New GNC Probiotic Melts Fat Like Butter 

From The Web

Do-it-yourself Free Testosterone Solution
Nugenix

Shilling Predicts Stocks Will Collapse 42% This Year
MoneyNews

You Won't Believe Who's Related to Abraham Lincoln
Ancostry.com

11 Horrible Foods For Your Body
DieEat

10 Natural Ways to Boost Testosterone
Remedy Health

Recommend

Sudanese ordered to hang for apostasy 'gives birth in jail'

Recommend

Tuareg rebels kill 50 Malian soldiers after clashes in Kidal

Recommend

BC SPCA recommends charges against dog-walker after 6 dogs die

Recommend

Josh Fox's 'Gasland 2' widely available to buy on DVD (VIDEO)

Recommend

Review: New on DVD for May 27 SPECIAL

Recommend

Shipwrecked camera found 2 years later, photos intact (Video)

Recommend

Op-Ed: Turks and Caicos could be a Canadian destination for snowbirds

Recommend

Dominion: Syfy releases new 'angelific' trailer (VIDEO)

Recommend

Woman is latest champ in Big Texan Steak Challenge (Video)

Recommend

WWE Preview — NXT TakeOver

Recommend

Decoding Pope Francis' Middle East visit

Recommend

Greenpeace: 15 protestors occupy an oil rig

Recommend

400,000 users affected in hack of Avast forums

Recommend

Op-Ed: 500 Startups' Pinshape launches Uprising - 3D printing made easy SPECIAL

Recommend

Europe's leaders meet to analyse euroseptic poll wins

Recommend

Thai troops swoop on fugitive former minister

Recommend

Sponsored Content by Taboola

Developer expects earlier start to Treasure Island work

J.K. Dineen

Updated 7:55 am, Saturday, May 24, 2014



Kathryn Lundgren points next to a spot where a hole had been dug and a radioactive dial removed the week before on Monday, February 3, 2014 on Treasure Island in San Francisco, Calif. Photo: Lea Suzuki, The Chronicle | [Buy this photo](#)

Development could start on Treasure Island sooner than expected.

Even as the Navy gears up to conduct radiation contamination tests under all the homes on the island, developer Lennar, along with Wilson Meany, is hopeful that the eastern end of the island, along with all of Yerba Buena Island, could be transferred to the city by the end of the year. That would set the stage for the land to be handed over to the developer team and for work to begin.

Lennar was in court this week facing off against the group Citizens for a Sustainable Treasure Island, which sued the city and

developer, arguing that the environmental review did not fully describe the scope of the project or its impact on Bay Bridge traffic.

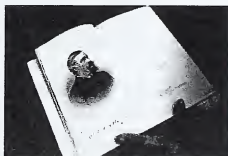
Lennar and the city won the first round in court in late 2012. The citizens group, led by former San Francisco Supervisor Aaron Peskin, appealed. A decision will be announced

Most Popular

1. Anonymous S.F. cash dropper has 'no plans to stop soon'
2. 25 best companies for pay and benefits
3. Warriors' Stephen Curry sells his Jack London Square penthouse
4. The 60 Most Memorable Performances — The Men
5. Journalist takes on Jim Harbaugh over Aldon Smith
6. Train carrying military vehicles plows through semi-truck on California's Highway 99 (EXPLICIT)
7. SF Giants catcher admits to worries about blows to the head, plus postgame notes

San Francisco Chronicle

On SFChronicle.com



Descendant edits, promotes bio of early Calif. historian

Study: New look at hepatitis B vaccine
More cops, honesty needed in Oakland
Klinsmann, U.S. on voyage of discovery

Subscriber? It's yours!

Activate for access to SFChronicle.com [Activate!](#)

0

0

0

[Tweet](#)
[Like](#)
[g+1](#)

[Larger](#) | [Smaller](#)
☒ [Email This](#)

[Printable Version](#)
☒ [Font](#)

Related Stories

- Navy to test Treasure Island homes for radiation
- Is Treasure Island toxic? Residents' worries grow
- Navy cleanup forces dozens to move on Treasure Island

within 60 days.

"We are happy we had our day in court," said Lennar Urban President Kofi Bonner.

Radiation worries

The redevelopment plan calls for 8,000 homes, 25 percent of them affordable. It will also include 300 acres of parkland. Although the Navy and a state agency say cleanup on the island has been effective and the remaining contamination is minimal, the state Department of Public Health has expressed concern about the possibility of lingering radiation.

In March, the Navy said it still believes there are "no known health hazards," but decided to conduct radiological surveys underneath and inside all the occupied housing units "due to a recent radiological finding beneath an (empty) housing unit," as well as requests from residents.

The western end of the island, where the radiation testing is going to occur, would be conveyed to the city between 2016 and 2021.

Bonner said housing would be under construction on Yerba Buena Island by the middle of 2016. The first phase, 500 housing units, would be complete by 2018. Phase one will include retail next to the marina.

Bonner has hired a team of landscape designers, planners, engineers, and geotechnical and shoreline specialists to set the stage for infrastructure construction to start.

"We are beginning to look in greater detail at streets, streetscapes and utilities," Bonner said.

Group skeptical

Peskin, a Telegraph Hill resident, said his group's lawsuit should be the least of worries for the city and the developer.

"Treasure Island is literally glowing in the dark," he said. "There is no home buyer in their right mind who wants to buy a home on a small, radioactive, contaminated island. It doesn't matter if it's on the west end or the east end of the island because the island is tiny. You don't want your kids playing in radioactive contaminated dirt."

Bonner said any land conveyed to the city would have to be vetted and signed off on by an array of local, state and federal environmental agencies.

Treasure Island Naval Station was constructed during World War II to serve as an electronics training school and secondary air facility for airships, blimps and seaplanes. The base was transferred to civilian use in 1999, and much of the former military housing became subsidized rentals for low-income San Franciscans. About 2,500 people live on the island.

*J.K. Dineen is a San Francisco Chronicle staff writer. E-mail: jdineen@sfchronicle.com
Twitter: [@sfkdineen](https://twitter.com/sfkdineen)*

Printable Version

Email This

Like

Tweet: 0

g+ 0

1

(10) Comments

Write your comment here

Record video Upload video Upload image

Submit

Photo Galleries Displaying 1-3 of 40



Scenes from the Commissary's first night of business



Adresses take the plunge



A.C.T.'s Mad, Mad Men Gala

FROM OUR HOMEPAGE



25 best companies for pay

Salesforce's great pay, benefits and stocked fridges make it top 10. But no. 1 is another local firm.



Best male movie roles ever

Forget 'Iron Man,' his greatest part was this flick. Can you guess it? See others on the list.



10 great Oakland shops

These home decor & garden stores are one reason city's being called 'Brooklyn of the West.'

powered by: **vivafoura**

From the San Francisco Business Times

:http://www.bizjournals.com/sanfrancisco/morning_call/2014/05/lennar-looking-at-early-start-on-treasure-island.html

May 27, 2014, 6:54am PDT Updated: May 27, 2014, 7:07am PDT

Early start for Lennar's Treasure Island development?

Staff San Francisco Business Times

Lennar may begin work on its planned Treasure Island development earlier than expected.

The San Francisco Chronicle reports the developer, along with Wilson Meany, may be able to start work on the redevelopment plan after the eastern part of the island and Yerba Buena Island are transferred to the city later this year.

Lennar is planning to build 8,000 homes in the project, 25 percent of them affordable-housing.

Currently the Navy is preparing to conduct radiation-contamination tests on the island.

The Navy and state agencies are checking to ensure that cleanup of the island has been effective.

Lennar is also still facing opposition from citizens concerned over the environmental and traffic impacts of the development.

Earlier: [Deal collapses for \\$1.7 billion Chinese investment in San Francisco](#)





EXHIBITOR MAGAZINE'S

Find It » Marketplace

NOW FEATURING
'CAREERS'EXHIBITOR Magazine
PRINT OR DIGITAL
ONE YEAR FOR ONLY
\$78 \$18!

WHAT'S HAPPENING NOW:

NEW! Check out Lean Six Sigma
Orange Belt Certification for Exhibitors

BEST PRACTICES IN TRADE SHOWS AND EVENTS

EXHIBITOR

Search

Topics Magazine Find It Show eTrak FastTrak Certification Awards News

News EXHIBITOR 2014 News Associations/ Press Awards Company News International New Products People Shows & Events Venues & Destinations

TRENDING

PEOPLE

Tom Spano Joins Goombal as Head of
Sales and Marketing

COMPANY NEWS

Pegasus Lighting Celebrates 15th
Anniversary by 'Bringing the Light' to
Children in Ghana

COMPANY NEWS

IAEE Launches Next Phase of National
Public Relations Campaign

VENUES & DESTINATIONS

Pennsylvania Convention Center Board,
Four Trade Unions Approve New
Customer Friendly Work Rules

NEW PRODUCTS

The Inside Track Launches Trade Show
Furniture Sales to Exhibit Houses

VENUES & DESTINATIONS

33 AEG Facilities-Affiliated Venues
Celebrate Earth Month and Conclude
National Water Conservation Campaign

INTERNATIONAL

Messe Düsseldorf Introduces New
'SWOP - Shanghai World of Packaging'
in 2015

COMPANY NEWS

Events Carpet and Flooring (EC5F)
Provides Affordable Exhibit Floor
Choices

SUBMIT YOUR NEWS

COMPANY NEWS, PEOPLE, VENUES & DESTINATIONS

Jeanavive Janssen Joins San Francisco Event
Venues as Business Development Manager

Share Share Tweet

5/29/2014

San Francisco Event Venues, or SF Event Venues, a growing organization offering affordable and unique event spaces on San Francisco's historic Treasure Island, is pleased to announce the appointment of Jeanavive Janssen as Business Development Manager. As an industry veteran, Janssen brings over fifteen years of experience in the events and hospitality arena with specialization in large venues, corporate clients, non-profit organizations, special events and more. As part of its continuous commitment to investing in a wide range of talents and specialties, SF Event Venues proudly welcomes Janssen to its growing team.

SF Event Venues hosts a wide variety of both small and large-scale events including weddings, corporate events, conferences, seminars, and more - with guests ranging from 50 to 10,000+. Key past clients include Google, Genentech, Oracle, Dell, Cisco and Wells Fargo. SF Event Venues hosts gatherings at their three distinct, spectacular venues - The Winery SF, The Vista SF and the Treasure Island Administration Building. Each venue offers a unique experience, catered to the type or theme of the particular event, only minutes away from downtown destinations like the Moscone Center and Union Square.

Before joining the team at SF Event Venues, Janssen held positions in Business Development for the San Mateo Event Center, Director of Sales & Events for Event Productions, Inc. and Event Coordinator for Syllabus Technology & Higher Education Conferences. In addition, she is the Founder of Network Girl Consulting, a boutique company focused on 'vision to reality,' providing generational perspective and support via social networking, personality marketing and events. Janssen serves on the Chair of Northern California Chapter and National Young Professionals of the International Association of Exhibition and Events, and Co-Chair of the Marketing Committee of Meeting Professionals International (MPINCC).

"I am thrilled to be the newest member of the SF Event Venues team. The Treasure Island experience offers unique event experiences that have been described as "magical" and I look forward to continuing to make these experiences come alive," states Janssen.

About San Francisco Event Venues

Located on San Francisco's historic Treasure Island, San Francisco Event Venues offers unique spaces for a wide range of events. The company's personnel provide clients and their meeting planners with a truly "local" perspective in their San

Find Your

Trade Show

HE

FIND IT - MA

Find It »
Marketplace

GOT A STORY?

There is no charge
to submit a press
release to EXHIBITOR.
Spread your news today!

SUBMIT NEWS

San Francisco venue selection helping to create a memorable experience for any event. Its experienced and professional event management team has over 20 years of experience in many facets of the event management community including event planning, destination management, and tourism & travel. For more information go to www.sfeventvenues.com.

Contact:

jjanssen@sfeventvenues.com

>> More Pro

EMAIL NEWSLETTER



Share

Share

Tweet

Lean Six Sigma
Certification
in just three days!

**MAXIMIZE ROI
and IMPROVE PERFORMANCE**
July 22 - 24, 2014 | Chicago, IL



Marty
Smith

EXHIBITOR2014



CERTIFIED TRADE
SHOW MARKETER

EXHIBITOR@trak



How likely is it that you would recommend ExhibitorOnline.com to a colleague?

Not
at all
likely

0
0

1
0

2
0

3
0

4
0

5
0

6
0

7
0

8
0

9
0

10
0

Extremely
likely

Send

ROYAL POOLS

Pool Time is Family Time

BREAKING NEWS: [Only a third of SF Muni's vehicles are running after a 'sickout' by hundreds of drivers](#)

Latest News

Navy Tests Will Determine If Radiation Is Lurking In The Soil On Treasure Island

May 31, 2014 7:08 PM

Like 11

4

6

View Comments

San Francisco

[Your Home](#)[Buy Tickets](#)[More](#)[FOLLOW US](#)[LOGIN](#) [REGISTER](#)[Search](#)

SOURCE: TI DEVELOPMENT PROJECT

JCPenney
3 DAYS LEFTDollar General
VALID UNTIL JUN 08

See all your local circulars

Related Tags: [Hazard](#), [Health](#), [Naval Base](#), [Navy](#), [Radiation](#), [San Francisco](#), [Testing](#), [Treasure Island](#)

Mark Kelly

Mark Kelly joined KPIX 5 as a reporter in August 2013. Before moving... [Read More](#)TREASURE ISLAND (CBS SF) — People living on Treasure Island will soon find out for sure if it is [safe](#) to stay there.

"I absolutely, unequivocally do not believe it's safe." Kathryn Lundgren, a former resident of told KPIX 5's Mark Kelly.

For years, many people living on the former naval station have been concerned the ground beneath their feet is radioactive and dangerous. A final test slated for this summer doesn't make some residents feel any more at ease.

On the surface, Treasure Island is paradise. But, people who call the island home say, scratch the surface and it's anything but.

Lundgren lived here a decade and said the side effects from radiation are one reason she moved off the island.

LATEST VIDEOS



Invest in HORI
 Helping Revitalize American
 Oilfields. Invest Today!
www.horizonenergyusa.com



LifeLock.com

**Buy LifeLock®
 Protection**

LifeLock Ultimate® Monitors
 your Credit, Identity and
 Bank Accounts

Buy a link here

**GET BREAKING NEWS
 FIRST**

Receive News, Politics, and
 Entertainment Headlines Each
 Morning.

Sign Up

"Hair loss ☞, rashes, cancer heart failure," were some of the concerns, said Lundgren.

The Navy is behind this summer's radiation check-up and insists radiation levels pose no threat ☞ to public health. In fact, the plan is turn the island over to private developers to build a residential complex over the next 15 years.

"It's going to be one of the premiere addresses in San Francisco," said Bob Beck, Director ☞ of the Treasure Island Development Authority.

Beck explained that before new buildings go up, the island must be declared safe from radiation.

Streets and grass have been tested, and stamped safe. But, when higher than expected radiation levels turned up in an abandoned structure on the island last year, the navy decided additional testing on homes would be prudent.

"If it's something that needs to be investigated further, we can potentially relocate the residents permanently or temporarily to other units on the island," said Beck.

"We believe there's no public health hazard ☞," said Laura Duchnak, Director of the Navy Base Realignment Closure Program. "We want the additional information so we have the complete history and data on the island."

Meantime, Lundgren has already moved. She said she'd love to live on the island again, but she doesn't trust officials who insist her island home is safe.

Does she think they are being misleading?

WEATHER & TRAFFIC



COMPLETE FORECAST



COMPLETE TRAFFIC

LATEST GALLERIES



Best Father's Day
 Activities



Notable Deaths 2014



Baseball Shots Of The
 Week --...



Celebrity Baby Bumps

'KPIXTV' SHARE YOUR PHOTOS



Weather Photos



Breaking News Photos

SUBMIT YOUR PHOTOS HERE

Follow CBS San Francisco



KCBS Radio
 Like 6,105

Follow @KCBSNews 22.1K followers

3+1

"I know they are," said Lundgren.

The testing for radiation starts in mid-June and is expected to take three months.



Follow More Stations and Personalities

FOLLOW @KPIXTV ON INSTAGRAM



Sponsored

IAMS Love Changes Everything - Baby's Story

Paul's new best friend Baby transformed his life at age 90. Love Changes Everything. Keep Love Strong with IAMS: <http://bit.ly/K9Zo7m>



Like 11

4

6

View Comments

FROM AROUND THE WEB

Finally, One Link Established- Chronic Fatigue Syndrome (CFS), Lupus, Fibromyalgia, Autoimmune disease and Chronic Lyme Disease (Envita)

This New Gmail App is Almost Too Good to Be True (Evolving SEO)

Check Out The Angry Letter This Post-Graduate Sent When His School Asked For Money (Blue Nation Review)

The Warning Signs of Kidney Disease (Better Medicine)

SpaceX Reveals Beautiful New Manned Spacecraft (Allvoices)

Have you seen the mind-blowing images of what will happen if climate change keeps accelerating? (Blue Nation Review)

WE RECOMMEND

Mountain View-Based Google To Close Moto X Smartphone Factory

CHP ID's Body Spotted By Kayaker Near Alviso Marina As Missing Caltrans Employee

Oakland Students Voice Support For Security Guard Seen Hitting Student In Wheelchair

Mother Accused Of Hammer Attack On Third Grade Girl In Oakland School Restroom

Autistic Student's Father Attacks Son's Bully On Richmond School Bus

FBI, Hazmat Crews Raid Russian Hill Apartment In San Francisco

Recommended by

TODAY'S CIRCULARS

Lucky Supermarkets: Everyday Essentials

Save Mart: Everyday Favourites

Target: Find All The Best Deals For Dad

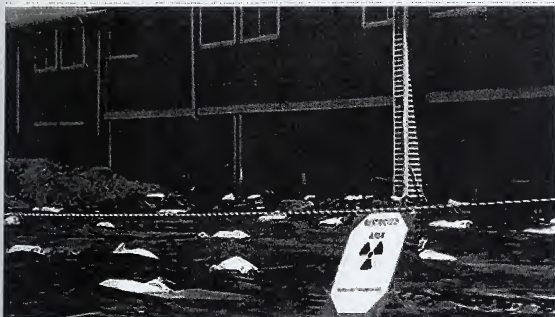
Orchard Supply Hardware: A Personal Paradise in Your Own Backyard





NEWS

OFFICIALS TO TEST TREASURE ISLAND HOMES FOR RADIATION



Share

8+1

Tweet

by Nick Smith

Saturday, May 31, 2014

SAN FRANCISCO (KGO) -- Officials told San Francisco's Treasure Island residents that more testing would be done to examine the risks posed by potential radiation exposure there.

Officials with the Navy and various state of California regulatory agencies will begin checking homes next month. Each of the homes will be scanned with a Ludlum Survey Meter, a device designed to detect gamma radiation.

"I always just feel like there's a little bit more to what they're saying," Treasure Island resident Linda Brown said.

Dozens of Treasure Island residents spent the day pressing state officials for new information about possible health risks associated with radiation contamination at or near their homes.

"We don't have the choices that a lot of people think we have, we're a working family," Treasure Island resident Kathryn Lundgren said.

Hundreds of families continue to live in buildings separated by green mesh and wire fencing, just inches from contamination testing sites.

"I'm not sure about all that is being said, so I just ask as many questions as I can," Brown said.

Members of the media weren't allowed to hear what residents asked officials. As soon as the community event started, officials moved reporters into a separate room.

"Progress has been steady," California Department of Public Health spokesperson Steve Woods said.

Officials with the California Department of Public Health who are responsible for oversight of the clean up being done by the Navy, told

ABC7 News that they're doing all they can to warn residents of any potential health risks by communicating their findings openly, but say the work they need to do will take a while.

"It's a very complex site, complex processes, so we are staying vigilant in terms of overseeing that and when needed we come out and actually do our own surveys to make sure things are being done correctly," Woods said.

In two weeks, officials will perform radiological surveys on the ground floor of every residence to collect the data and test for safety, but that may not end the debate.

"It's so close to our homes, and you know it and you just let us sit there," Lundgren said.
Map My News

Related Topics:

[news](#) [environment](#) [radiation](#) [Treasure Island](#) [San Francisco](#)

Share

81

Tweet

SF WEEKLY

News

NEWS ▾

Search

[NEWS HOME](#) | [THE SNITCH BLOG](#) | [ARCHIVES SEARCH](#) | [WEEKLY NEWSLETTER](#) | [GET MOBILE](#)
**TOP
NEWS
STORIES**


Here Are Our
Favorite Leland
Yes Arrested
Tweets
By Erin Sherbert



5 Things You Can
Expect From The
Giants
By Howard Cole



BART Driver
Delivers Morbid
Rush Hour
Lecture
By Erin Sherbert

Act of Godzilla: San Francisco Is Menaced by Monsters from the Deep -- Real Ones

By Joe Eskenazi Wednesday, Jun 4 2014

Comments (0) [A](#) [A](#)

Like

Share

Tweet

5

C

6

5+1

0

Right-wingers and left-wingers, progressives and moderates, East-coasters, West-Coasters, Midwesterners: Everyone agrees. Watching monsters destroy San Francisco makes for good cinema.

Sitting within a movie theater in this city while cheering a depiction of its spectacular demise is a counterintuitive pleasure; it harks to leather-clad motorcycle punks clambering to the picture show to cheer on Chuck Norris as he hurls their brethren through barroom windows. Those punks were resilient: After being tossed through plate glass by Norris, they'd pop right back up to be shot by Charles Bronson or Clint Eastwood.

But, in real-life San Francisco, what's gone is gone.



Fater disaster.Exit rent control.

Like this Story?

Sign up for the Weekly Newsletter: Our weekly feature stories, movie reviews, calendar picks and more - minus the newsprint and sent directly to your inbox.

 enter email

And after Godzilla and his fellow beasts have had their fun, a second catastrophe begins, because the city's rent-controlled housing stock will be reduced to rubble and ash. In its place, a forest of new condos will germinate, unencumbered by rent control. City residents for whom the term "market rate" is a cruel joke will exit en masse, as surely as if they were fleeing an oversize lizard.

A longtime friend once awoke in a cold sweat after experiencing a nightmare of sorts: He

was in the employ of the X-Men and tasked with calculating actuarial tables. Your humble narrator is tormented with a different vision: If Godzilla were to lumber into our city, what path could he take that would raze the fewest of the city's 170,000-odd rent-controlled units?

Since cinematic monsters from the deep seem to breach cities via the abandoned warehouse district, Mission Bay seems a natural choice. Here's your silver lining: Rent control applies only to pre-1979 buildings and, in '79, much of Mission Bay was a barren

Now Trending



Muni Sickout: Labor Radical Calls Press Conference, Blames Billionaires



It's Official: SF Weirdness Is Now A Big Part Of Oakland



What You Need to Know About Getting Around Town During The Muni "Sickout"

SF WEEKLY TICKETS *Tiq*

trade these

for this

more events more sellers let's go

FILIPINO

wasteland suitable only as a backdrop for the aforementioned Norris-vs.-punk confrontations.

If Godzilla emerged on Ocean Beach and rampaged through the Outer Richmond or Sunset, he'd be treading upon many a single-family home — but those aren't covered under rent control. If he veered left and cut a swath through the Presidio, he'd wreck federal, non-rent-controlled dwellings.

Treasure Island's units also aren't rent-controlled — and with its cesium-rich soil, it might be an appealing destination for a radiation-hungry monster.

And yet, numerous city officials point out that rent-controlled housing is everywhere. Even in the Sunset and Richmond, older homes with a second unit would be covered; in the event of a disaster, many a rent-controlled tenant will, literally, come out of the woodwork.

And then their luck will run dry.

In this city, notes structural engineer Patrick Buscovich, we have an "Act of God" clause. If a building is smote via the action or inaction of a supreme being, its owner can rebuild it — even if its size far exceeds current zoning regulations. And, once rebuilt, it needn't be rent-controlled.

You've spotted the paradox: Owners of aging, rent-controlled structures with long-term tenants would actually be better off if their properties were destroyed. "Godzilla," Buscovich says with admirable seriousness, "would be an Act of God."

So would an earthquake.

Last month, The Bulletin of the Seismological Society of America published an article inspiring far nastier dreams than bean-counting for mutants. Long-term analysis of Bay Area fault lines reveals we've been living through a peculiarly quake-free epoch since 1906. In days of yore, large tremors occurred with more regularity. The upshot, per lead author David Schwartz: We may not be fated to suffer a repeat of the massive temblor of '06, but a spate of really damn large temblors. Whatever the case, we've been blithely enjoying an earthquake-free Eden — "and that has to end," he says.

Municipal officials know this, and are working, at municipal speed, to retrofit San Francisco. But earthquakes travel at a far quicker clip than the plodding, consensus-driven pace of policy generation in our city.

After years of back-and-forth, some 6,000 of the city's most vulnerable multiunit residential structures were identified last year, and have until September to go through a screening process. Perhaps 4,000 of them will undergo mandatory retrofitting, estimates Patrick Otellini, the city's chief resilience officer. And that process is expected to take another four to seven years.

This, however, represents a mere fraction of the city's aging, rent-controlled housing stock. If The Big One — or even A Bunch of Pretty Big Ones — comes sooner, more than the city's plans will be dashed. And, most crucially, some landlords are indeed incentivized to put off costly retrofitting jobs — until they're no longer necessary.

"I have come across owners who act like that," Otellini says. "It is a sad side of human nature. They think more about property value than the value of human life."

And that's depressing. But hardly surprising.

Around The Web



Michael Sam and the Rise of the Gay Athletic
Riverfront Times



How YouTube and the Internet Killed Tom
Cruise, America's Last Movie Star
Village Voice



After her fiancé died, Jen Berman found a way to
let go of her wedding dress
Westword

Slideshows



BottleRock 2014



Sixto Rodriguez at the Warfield



Metallica Day at AT&T Park
2014

[More Slideshows >>](#)

THE SNITCH



It's Official: San Francisco Weirdness Is Now a
Big Part of Oakland

[More News Stories >](#)

Best of San Francisco

2014 People & Places



Best Ruin
Suro Baths



Best Hackathon
California Academy of Sciences

[More People & Places Awards >](#)

SAVINGS WHEN
YOU WANT THEM
Share the love!

Click Here
To Sign Up

It isn't illegal to be immoral.

The city is making progress, but is also racing against a hidden clock. All that's known is that time will, eventually, run out. But this is a city that likes to take its time.

A Private School Earthquake Working Group has been meeting since 2012. And yet, Otellini confirms, he's getting significant pushback from the local diocese regarding proposals that would merely require structural evaluations of city private schools.

Actually fixing the problems these analyses uncover isn't even part of the discussion.

1 2 All | Next Page >



The Complex: The City Falls Into a Housing Paradox (The SF Weekly)



Jail To-Go: Ankle Bracelets Could be the Next Great Law... (The SF Weekly)



The End of Uncanny Valley: Bronze Statues That Were a Bit Too... (The SF Weekly)



Paid Distribution

Does AMC Have Another Hit on its Hands with New 'Halt and Catch...' (AMC)



Paid Distribution

The 1 Tom Hanks Movie You Should Watch Again. (Best Movies by Farr)



Paid Distribution

6 DC Comics That are Headed Towards the Big Screen (Wall St. Cheat Sheet)

Recommended by

GET THE WEEKLY NEWSLETTER

Our weekly feature stories, movie reviews, calendar picks and more - minus the newsprint and sent directly to your inbox.

enter email

Email to Friend

Write to Editor

Print Article



submit

0 comments



Sign in or Create Account

+ Follow	Share	Post comment as...	

Newest | Oldest

LARRY FLYNT'S
HUSTLER CLUB
AN ANTHOLOGY

DOWNLOAD OUR APP!

Google play Available on the App Store

Get GPS directions straight to the club
Receive updated Hustler Honey schedules
Browse our delicious food and drink menus
Let us host your party by submitting an RSVP form
Earn Loyalty Points for Hustler rewards every visit
Sign up for our mailing list & receive exclusive VIP info
Keep track of events & add them to your phone calendar
Receive Push Notifications for special events & performance

Special Reports

- The Worst Run Big City in the U.S.: Muni
- Freedom Under Fire
- The Worst-Run Big City in the U.S.
- The Worst Run Big City in the U.S.: The Muni Death Spiral
- Shades of Gray
- The Worst Run Big City in the U.S.: Let It Bleed
- The Worst Run Big City in the U.S.: How the Happy Meal Ban Explains San Francisco
- The Worst Run Big City in the U.S.: Inefficient by Design
- Premium Pay Nets City Workers Millions in Bonuses for Just Doing Their Jobs
- The Truth About Bruce
- SF Weekly Appeals the Bay Guardian's Big Payday to a Higher Court
- The Bay Guardian's Predatory Law suit
- Fallout
- Toxic Acres

More Special Reports >>









AGENDA ITEM 6 (b)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Approving the Treasure Island Development Authority Board of Directors' Regular Meeting Schedule for Fiscal Year 2014-2015 (*Consent Item*)

Contact: Loraine Lee, Commission Secretary

Phone: (415) 274-0660

BACKGROUND

Article V, Sections 10 and 11 of the Third Amended and Restated Bylaws of the Treasure Island Development Authority ("Authority Board") states that:

Section 10. Place of Directors' Meetings. Meetings of the Authority Board shall be held at the principal office of the Authority unless a different place is designated by resolution of the Board or in the notice of such meeting.

Section 11. Regular Meetings. The Authority Board by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Authority Board Resolution 99-01-01/20, approved January 20, 1999, sets the current regular meeting location for Authority Board meetings as San Francisco City Hall Room 400. Authority Board Resolution 02-90-4/10, approved April 10, 2002, set the current regular meeting time and date for Authority Board meetings as the second Wednesday of each month at 1:30 p.m. Today's item seeks to memorialize the regular meeting and on-Island special meeting schedule of the Authority Board of Directors for Fiscal Year 2014-2015. All monthly meetings shall continue to be held on the second Wednesday of each month at 1:30 p.m. at San Francisco City Hall Room 400, except for the April and November meetings which shall be held on Treasure Island at Casa de la Vista, 191 Avenue of the Palms, Treasure Island. The time of the on-Island meeting shall be properly noticed to the public. Special meetings of the Authority Board of Directors, or subcommittees of the Authority Board of Directors, shall be properly scheduled and noticed to the public as the need for such meetings arises.

RECOMMENDATION

Project staff recommends approval of the Meeting Schedule for FY 2014-2015.

Exhibit A: Schedule of Regular and on-Island Special Meetings of the Authority Board of Directors for FY 2014-2015

Prepared by: Loraine Lee
For: Mirian Saez, Director of Island Operations

Exhibit A

MEETING SCHEDULE

TREASURE ISLAND DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

FY 2014 - 2015

TIDA Board meetings are held the second Wednesday of each month at 1:30 p.m. in Room 400 at San Francisco City Hall, unless otherwise noticed.

July	9	1:30 PM
August	RECESS	No Meeting Scheduled
September	10	1:30 PM, Establish Ad Hoc Committee
October	8	1:30 PM, Election of Officers
November	12	4:30PM On-Island meeting @ Casa de la Vista 191 Avenue of the Palms, Treasure Island
December	10	1:30 PM
January	14	1:30 PM
February	11	1:30 PM
March	11	1:30 PM
April	8	4:30PM On-Island meeting @ Casa de la Vista 191 Avenue of the Palms, Treasure Island
May	13	1:30 PM
June	10	1:30 PM

[Approval of the Board of Directors Meeting Schedule]

**Resolution Approving the Treasure Island Development Authority Board of Directors
Regular Meeting Schedule for Fiscal Year 2014 - 2015.**

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the bylaws of the Authority, the Authority Board of Directors meets regularly on a monthly basis and also holds properly noticed additional as-needed special meetings throughout the year; and,

WHEREAS, the Authority wishes to memorialize the regular meeting schedule of the Board of Directors for Fiscal Year 2014- 2015; now, therefore be it

RESOLVED, That the Board of Directors hereby approves the Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2014-2015 in the form attached hereto as Exhibit A.

1
2 **CERTIFICATE OF SECRETARY**

3 I hereby certify that I am the duly elected Secretary of the Treasure Island
4 Development Authority, a California nonprofit public benefit corporation, and that the
5 above Resolution was duly adopted and approved by the Board of Directors of the
6 Authority at a properly noticed meeting on June 11, 2014.

7
8 Jean-Paul Samaha, Secretary
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25





AGENDA ITEM 6 (c)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Approving a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company, a California Corporation, Subject to the Approval of the City's Board of Supervisors (Action Item)

Contact: Mirian Saez, Director of Island Operations

Phone: 415-274-0660

BACKGROUND

At its January 20, 1999 meeting the Authority Board of Directors ("Authority Board") approved a Sublease, Development, Marketing and Property Management Agreement (the "Original Agreement") with the John Stewart Company ("JSCo") for the market rate rental housing on TI/YBI. The Original Agreement was approved by the City's Board of Supervisors on February 22, 1999, and became effective on March 17, 1999.

The Authority Board and the Board of Supervisors approved five amendments to the Original Agreement: the First Amendment dated August 15, 2000 amended the Premises; the Second Amendment dated June 12, 2003 amended the Phase 1 and 2 Premises and amended the Rent Schedule; the Third Amendment dated March 22, 2006 extended the term on a month-to-month basis not to exceed the effective date of a Disposition and Development Agreement ("DDA") between the Authority and a master developer for TI/YBI; the Fourth Amendment dated August 8, 2006 increased residential utilities rates; and the Fifth Amendment dated October 14, 2009 deleted requirements regarding earthquake and flood insurance coverage.

On April 21, 2011, the Authority Board approved the DDA between the Authority and Treasure Island Community Development LLC ("TICD" or "master developer"). On June 7, 2011, the Board of Supervisors approved the DDA, which became effective on July 14, 2011. Under the Third Amendment to the Original Agreement, the scheduled term of the Original Agreement expired on the effective date of the DDA but has continued thereafter on a month-to-month holdover basis.

The Navy master lease with the Authority for the market rate housing units expired in March and is currently on a month-to-month holdover. Project Office staff anticipates entering into a new master lease with the Navy, that covers both the market rate housing and the affordable housing, sometime late this Fall when the existing affordable housing master lease expires and the Navy issues a new finding of suitability to lease.

SOLICITATION OF NEW AGREEMENT AND REQUEST FOR PROPOSALS

Project Office staff was directed to prepare for solicitation of a new sublease and management agreement in March 2013, and issued a Request for Proposals ("RFP") for that agreement on March 7, 2014. The RFP and subsequent addenda and responses to questions were posted on the City's Office of Contract Administration ("OCA") website, with links to the OCA posting also available on the Authority's website and Twitter feed. Notifications of RFP availability and of subsequent addenda and the responses to questions were also distributed to City departments supporting business development, including OEWD and the Office of Small Business, and to local property management organizations and interest groups. The deadline for inquiries and questions concerning the RFP was March 28th and the Authority posted the responses to questions on April 4th. An RFP Pre-Bid Conference, attended by two interested parties, was held on April 2nd, allowing interested parties the opportunity to view the premises and view market-rate units in the 1100, 1200, 1300 and 1400 Housing Series.

The deadline for Responses was on April 18, 2014 and only one response was received, submitted by the incumbent John Stewart Company ("JSCo"). JSCo's submittal was deemed complete and responsive to the RFP by Project Office staff and to the City's 14B compliance requirements by the City's Contract Monitoring Division ("CMD"). The Office of the City Attorney and CMD both advised that, in the case of only one response, the Authority did not need to convene a scoring panel.

JSCo has provided exemplary property management services at Treasure Island during the term of the Original Agreement. Throughout the Original Agreement, JSCo has consistently demonstrated a strong institutional knowledge of the Island environment and issues, and has played a critical role in assuring an efficient and orderly process for implementation of complex residential transitions and relocations in accordance with the Transition Housing Rules and Regulations adopted by the Authority Board and the Board of Supervisors. The continuation of JSCo as manager will prove beneficial for Treasure Island residents and the Authority, especially in light of the difficult challenges ahead in implementation of the development program and the future tenant relocations, and the Navy remediation program. Project Office staff strongly recommends approval of the proposed new management agreement with JSCo.

DEVELOPMENT SCHEDULE AND CURRENT LEASING ACTIVITY

There are currently 472 leasable market rate units in the housing inventory on Treasure Island. There are three separate schedules that will ultimately determine how long the leasing program for the former Naval housing on Treasure Island might continue:

- The schedule by which the Navy will transfer the land on which the housing resides to TIDA;
- The schedule on which the master developer completes infrastructure and prepares lots for vertical housing development, both for housing to be completed by market rate developers and for housing to be completed by the Authority; and
- The schedule on which the Authority has both land and funds to develop the future affordable housing and the existing resident replacement housing on lots prepared by the master developer and given to the Authority for this housing.

The schedule for the Navy clean-up and transfer of the residential area on Treasure Island calls for Site 12 (the location of the housing on Treasure Island) to be offered for transfer by the Navy to the Authority on or before December 31, 2021. The Authority has 60 days to accept the transfer, making March 1, 2022 the anticipated date of Authority ownership of Site 12 (assuming there are no delays in the transfer schedule due to the Navy's remediation activities or otherwise).

The date of the Navy transfer, however, does not end the Authority leasing program on Site 12. This leasing must continue until the Authority has developed replacement units on Treasure Island to accommodate all existing pre-DDA tenants that wish to be relocated to a new housing unit on Treasure Island. Because the Authority housing will be built over time in stages, as Authority lots and funds become available from the remainder of the development in accordance with the DDA, the Authority will continue to lease some residential units on Site 12 for at least ten (10) years and quite likely for several years thereafter. The developer anticipates that the full build out of the development will not be completed until 2030.

The Authority retains the right, however, throughout the term of the proposed new management and sublease agreement, to remove existing residential units or direct that they remain vacant at any time. So, as new housing is developed and existing tenants are relocated, the Authority can (although is not required to) remove existing residential units from the portfolio.

Analysis and planning for ongoing maintenance to continue the residential unit's viable lifecycle is a necessary challenge. JSCo's existing knowledge base of the Treasure Island residential portfolio from both its initial development activities and ongoing maintenance of the units under the Original Agreement provides them a solid foundation to appropriately implement maintenance and repair plans for the continued viability of the existing residential units.

Consistent with the terms of the RFP and JSCo's proposal, Project Office staff commenced negotiations with JSCo for a new sublease and property management agreement (the "Agreement"), to continue JSCo's role as property manager of the market rate housing on Treasure Island. The Agreement is based on the Original Agreement, as revised by the Authority and put out to bid to bring the document up to date with current City and County of San Francisco codes, provisions and requirements. The parties also negotiated certain changes to reflect the Authority's right to make changes to the Agreement based on any future revision to the Navy master lease and any Authority-imposed reduction in the number of residential units to be included in the market rate housing portfolio.

PROPOSED TERMS OF SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

Effective Date: Effective date of the Agreement shall be July 1, 2014 or, if later, the date of final Board of Supervisors approval of the Agreement.

Term (Section 3): The Agreement Term is 7 years, or through June 30, 2021. An Extension Option allows JSCo to extend the Term, as to the entire Premises only, for an additional three (3)

years commencing on the Expiration Date and ending June 30, 2024. JSCo may exercise the Extension Option at any time by written notice to the Authority delivered not later than one hundred eighty (180) days before the Expiration Date.

Premises (Exhibit B): The Premises includes 472 units on Treasure Island, 84 units on Yerba Buena Island and associated backyards, common areas and off-street areas in the Treasure and Yerba Buena Islands residential areas, all as more specifically shown on Agreement Exhibit B. As noted above, the Authority has the right to reduce the number of units included at any time, as may be needed for the Navy's remediation or otherwise.

Management Fee (Section 8.6): The Management Fee will be equivalent to 3% of Gross Revenues not to exceed \$400,000 annually, as revised in accordance with CPI. This is the same as the Original Agreement. If, at any point, the number of Rentable Units is reduced to below Two Hundred Ten (210), Project Office Staff and JSCo shall meet and confer regarding establishing a new Management Fee structure or amount that maintains the benefit of the bargain of the parties. If the parties are not able to reach agreement that maintains the benefit of the bargain, then either party may initiate nonbinding mediation. If, following nonbinding mediation the parties are still not able to agree, and JSCo is not willing to continue with the existing Management Fee, then JSCo can terminate the Agreement on 180 days notice to the Authority.

Base Rent and Percentage Rent (Section 15): The Agreement calls for the Authority to receive an annual Base Rent of \$632,806, consistent with the Base Rent currently paid the Authority under the Original Agreement, adjusted annually by CPI. After payment of the Base Rent and all Operating Expenses, the funding of required reserve accounts, and then payment of the JSCo Management Fee, the remaining monthly Net Revenue will be distributed between the Authority and JSCo as "Percentage Rent", with the Authority receiving 95% and JSCo receiving 5%. This is the same as the Original Agreement.

Navy Master Lease (Section 2.1): The existing Navy master lease is on a month-to-month holdover. The parties anticipate entering into a new Navy master lease, consistent with the existing master lease. But if there are any material, substantive changes that negatively impact JSCo, the parties agree to meet and confer in good faith to determine what changes, if any, must be made to the Agreement in light of the master lease changes. If the parties cannot reach agreement, then either party may initiate nonbinding mediation. If they still cannot reach agreement and JSCo is not willing to abide by the Agreement or the revisions proposed by the Authority, then JSCo can terminate the Agreement on 180 days notice.

Added Work and Premises Maintenance (Section 8.1): The Agreement allows for JSCo support of additional as-needed on-Island maintenance and security activities when requested by the Authority, including allowance for payment of an agreed upon project-specific fee and reimbursement of costs incurred by JSCo for such additional work. This is the same as the Original Agreement.

Form of Rental Agreements (Exhibit G): The Agreement will reflect the new form of the JSCo Rental Agreement with tenants, as proposed by JSCo, memorializing the month-to-month nature of this new form of Rental Agreement.

Payment of Operating Expenses (Section 12.1): The Agreement requires JSCo to pay all Operating Expenses out of existing Gross Revenues. JSCo may, in usual or unexpected circumstances, be required to incur costs above existing Gross Revenues by using its own funds from other sources. The parties have agreed that JSCo will not be required to incur costs in excess of Five Hundred Thousand Dollars (\$500,000) from its own funds. Consistent with the Original Agreement, the parties anticipate that expenses should not exceed revenues, and will work together to make adjustments to spending if needed to ensure that expenses do not, in fact, exceed revenues. If, notwithstanding such efforts, JSCo must incur costs from its own funds during the term that have not been reimbursed through Gross Revenues, then during the last year of the term JSCo will receive credit against Base Rent as may be needed to ensure full reimbursement. (Section 13).

Rental Abatement (Section 19.3): In the event of substantial damage to the Premises that removes units from the portfolio, Base Rent will be proportionally reduced during the period of repair. This is the same as the Original Agreement, except the Authority deleted language in the Original Agreement that permitted an automatic extension of the Term based on any such damage.

Additional Amendments: Amend various provisions within Section 34 of the Agreement to bring the document up to date with recent revisions to City and County of San Francisco codes, requirements and prohibitions, including but not limited:

Local Hiring

Pesticide Prohibition

First Source Hiring Ordinance

Sunshine Ordinance

Conflicts of Interest

Campaign Contribution Limitations

Wages and Working Conditions (Section 34.8): Require payment of prevailing wage to any person performing labor in the construction of any repairs, improvements and alterations to the residential units based on the nature of labor performed. JSCo and its subcontractors shall be responsible for assuring such employees shall receive the same benefits as in each case are provided for similar work performed in San Francisco, and shall be required to submit payroll records and labor documentation in the same manner submitted in the City and County of San Francisco and a right to withhold payments and assess penalties will be included.

NEXT STEPS

Contingent on Authority Board approval, the Agreement will be submitted to the San Francisco Board of Supervisors for approval as required under procurement requirements for any agreement in excess of 10 years or \$1,000,000 dollars.

Prepared by: Peter Summerville, Project Office Staff
For: Mirian Saez, Director of Island Operations

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

Between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY
as Sublandlord

and

THE JOHN STEWART COMPANY, A CALIFORNIA CORPORATION
as Subtenant and Manager

For up to 556 Housing Units at Former Naval Station Treasure Island
San Francisco, California

July 1, 2014

TREASURE ISLAND AGREEMENT

1.	PREMISES	2
1.1.	Premises	2
1.2.	As is Condition of Premises.....	2
2.	COMPLIANCE WITH MASTER LEASE	3
2.1.	The Authority's Compliance with Master Lease	3
2.2.	Subtenant's Compliance with Master Lease	4
2.3.	Automatic Termination	4
2.4.	Purchase of Premises by Authority	4
3.	TERM	4
3.1.	Term of Agreement.....	4
3.2.	Extension Options	4
4.	WORK TO BE COMPLETED BY SUBTENANT.	5
4.1.	Scope of the Work	5
4.2.	Cost of the Work	5
4.3.	Election Not to Proceed with Renovations	5
4.4.	Construction of Other Alterations	5
4.5.	Ownership of Alterations	6
4.6.	Subtenant's Personal Property	6
5.	USE	6
5.1.	Subtenant's Permitted Use	6
5.2.	No Unlawful Uses, Nuisances or Waste	6
5.3.	Signs	6
5.4.	Zoning	7
5.5.	Covenant of Quiet Enjoyment; Ingress and Egress	7
6.	SUBTENANT'S MARKETING RESPONSIBILITIES	7
6.1.	Marketing.....	7
7.	SUBTENANT'S LEASING AND RELOCATION RESPONSIBILITIES	7
7.1.	Leasing	7
7.2.	Application Process and Screening.....	7
7.3.	Rental Agreements	7
7.4.	Rental Rates	8
7.5.	Grievance Procedures	8
7.6.	Relocation of Tenants	8
8.	MANAGEMENT, MAINTENANCE AND REPAIR RESPONSIBILITIES	8
8.1.	General Maintenance and Repair Obligations	8
8.2.	Routine Maintenance and Repair	9
8.3.	Unanticipated and Emergency Maintenance and Repairs	9
8.4.	Security	10
8.5.	Subtenant's Responsibility for Utility Facilities	10
8.6.	Management Fee	10
8.7.	Base Repair and Maintenance	11
9.	EMPLOYEES AND INDEPENDENT CONTRACTORS	11
9.1.	On-Site Office	11
9.2.	Personnel	11
10.	AUTHORITY'S SERVICE OBLIGATIONS	12
10.1.	Utilities	12
10.2.	Street Services	12
10.3.	Police and Fire	12
10.4.	Other Portions of the Base Leased to the Authority	13
10.5.	Force Majeure	13
11.	ACCOUNTS	13
11.1.	General Operating Account	13

11.2. Security Deposit Account	13
11.3. Replacement Reserve Account	13
11.4. Criteria for Project Accounts	14
12. PAYMENT OF OPERATING EXPENSES	14
12.1. Payment Of Operating Expenses	14
12.2. Annual Operating Budget	14
12.3. Bids, Discounts, Rebates, and Commissions	15
12.4. No Authority Liability	15
13. DISBURSEMENTS	15
13.1. Allocation of Gross Revenues	15
14. BOOKS, RECORDS AND REPORTS	16
14.1. Books and Records	16
14.2. Monthly Reports	16
14.3. Subtenant's Annual Audit	16
14.4. Periodic Audits and Inspections of Records	16
14.5. Transfer of Records and Accounts	16
15. RENT	17
15.1. Base Rent	17
15.2. Adjustments in Base Rent	17
15.3. Percentage Rent	17
15.4. In-Kind Rent	17
15.5. Method of Payment of Rent	18
15.6. Late Charge	18
15.7. Default Interest	18
15.8. No Right to Repair and Deduct	18
16. TAXES, ASSESSMENTS AND OTHER EXPENSES	19
16.1. Taxes and Assessments, Licenses, Permit Fees and Liens	19
16.2. Evidence of Payment	19
17. LIENS AND ENCUMBRANCES	20
17.1. Mechanics Liens	20
17.2. Encumbrances by Subtenant	20
18. COMPLIANCE WITH LAWS	20
18.1. Compliance with Laws	20
18.2. Regulatory Approvals	21
18.3. Compliance with Authority's Risk Management Requirements	21
19. DAMAGE OR DESTRUCTION	21
19.1. Damage or Destruction to the Premises Covered by Required Insurance	21
19.2. Damage or Destruction to the Premises Not Covered by Required Insurance	22
19.3. Rental Abatement	22
19.4. Waiver	22
20. ASSIGNMENT AND SUBLETTING	22
20.1. Restriction on Assignment and Subletting	22
21. DEFAULT	23
21.1. Events Of Subtenant Default	23
21.2. Authority Default	23
22. REMEDIES	23
22.1. Authority's Remedies for Subtenant's Defaults	23
22.2. Subtenant's Remedies for Authority Default	24
23. RELEASE AND WAIVER OF CLAIMS	24
23.1. Release and Waiver of Claims	24
23.2. Covenant by the Authority Not to Sue	25
24. INDEMNIFICATION	25
24.1. Subtenant's Indemnity	25
24.2. Authority's Indemnity	26

24.3. Master Landlord's Section 330 Environmental Indemnity	26
25. INSURANCE	26
25.1. Subtenant's Insurance	26
25.2. General Requirements	27
25.3. No Limitation on Indemnities	28
25.4. Subtenant's Personal Property	28
25.5. Waiver of Subrogation	28
26. ACCESS BY Authority	28
26.1. Access to Premises by Authority	28
26.2. Access to Premises by Master Landlord	29
27. SURRENDER	29
27.1. Surrender of the Premises	29
28. HAZARDOUS MATERIALS	29
28.1. No Hazardous Materials	29
28.2. No Releases	30
28.3. Subtenant's Environmental Indemnity	30
28.4. No Hazardous Materials	30
28.5. No Releases	31
28.6. Authority's Environmental Indemnity	31
28.7. Acknowledgment of Receipt offers and FOSL Reports	31
29. RELOCATION COSTS	31
30. CONVENIENCE STORE AND OTHER SERVICES	31
30.1. Good Faith Efforts	31
31. TRANSPORTATION SERVICES	31
31.1. Bus Service	31
31.2. Public Transit Information	31
32. WORKFORCE HIRING GOALS	31
32.1. Subtenant's Workforce Hiring Goals	32
32.2. Workforce Hiring Goals	32
32.3. Hiring Plan	33
32.4. Reports	33
32.5. Matters Subject to Enforcement Procedure	33
32.6. Implementation of Enforcement Procedure	33
32.7. Enforcement Procedure	33
32.8. Relationship to Other Employment Agreements	35
32.9. Local Hire	36
33. GENERAL PROVISIONS	36
33.1. Notices	36
33.2. No Implied Waiver	37
33.3. Amendments	37
33.4. Due Authorization and Execution	37
33.5. Joint and Several Obligations	38
33.6. Interpretation of Agreement	38
33.7. Successors and Assigns	38
33.8. Brokers	38
33.9. Severability	38
33.10. Governing Law	38
33.11. Entire Agreement	38
33.12. Attorneys Fees	39
33.13. Time of Essence	39
33.14. Cumulative Remedies	39
33.15. Survival of Indemnities	39
33.16. Relationship of Parties	39
33.17. Non-Liability of Parties officials, employees	39

33.18. Counterparts	39
34. SPECIAL PROVISIONS	39
34.1. Non-Discrimination in Contracts and Benefits Ordinance	39
34.2. MacBride Principles -Northern Ireland	40
34.3. Tropical Hardwood and Virgin Redwood Ban	40
34.4. Conflicts of Interest.....	41
34.5. Prohibition of Tobacco Advertising	41
34.6 Prohibition on Alcohol Advertising.....	41
34.7 Holding Over.....	41
34.8 Prevailing Wages.....	42
34.9 Pesticide Prohibition.....	42
34.10 Sunshine Ordinance.....	42
34.11 Drug Free Workplace.....	43
34.12 Requiring Health Benefits for Covered Employees.....	43
34.13 Notification of Limitations on Contributions.....	44
34.14 Preservative-Treated Wood containing Arsenic.....	44
34.15 Resource Efficient City Buildings and Pilot Projects.....	44
34.16 Food Service Waste Reduction.....	45
34.17 Estoppel Certificates.....	45

LIST OF EXHIBITS:

EXHIBIT A -MASTER LEASE	
EXHIBIT B -DESCRIPTION OF PREMISES, MAP AND LIST OF RENTABLE UNITS	
EXHIBIT C -TRANSITION HOUSING RULES AND REGULATIONS	
EXHIBIT D-1 -COVER PAGE OF SEISMIC REPORT	
EXHIBIT D-2 -COVER PAGE OF STRUCTURAL REPORT	
EXHIBIT E -NOTICE OF COMMENCEMENT DATE	
EXHIBIT F -CAPITAL BUDGET AND 1ST YEAR OPERATING BUDGET	
EXHIBIT G - FORM OF RENTAL AGREEMENT	
EXHIBIT H -APPROVED RENTAL RATES	
EXHIBIT I -UTILITIES	
EXHIBIT J -MANAGEMENT PLAN	
EXHIBIT K -APPROVED HAZARDOUS MATERIALS	

TREASURE ISLAND SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT (the "**Agreement**"), dated July 1, 2014, is by and between the Treasure Island Development Authority, a California nonprofit public benefit corporation (the "**Authority**" or "**Sublandlord**") and the John Stewart Company, a California Corporation ("**Subtenant**"). From time to time, the Authority and Subtenant together shall be referred to herein as the "**Parties**".

This Agreement is made with reference to the following facts and circumstances:

A. Former Naval Station Treasure Island (the "**Base**" or "**Property**") was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510 and its subsequent amendments, and is currently owned by the United States of America, acting by and through the Department of Navy ("**Master Landlord**" or "**Navy**"). The United States Department of Defense designated the City and County of San Francisco ("**City**") as the Local Redevelopment Authority ("**LRA**") responsible for the conversion of the Base under the federal disposition process.

B. In 1997, the Base closed and the Authority was created by the City to replace the City as the LRA and to serve as a single entity responsible for the reuse and development of the Base.

C. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "**Act**"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base, and (ii) with respect to those portions of the Base which are former tide or submerged lands, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property.

D. In 1998, the San Francisco Board of Supervisors ("**BOS**") approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998. In 2012, by resolution No. 11-12, the BOS rescinded the designation of the Authority as a redevelopment agency under California Community Redevelopment Law, but such rescission did not affect the Authority's status as the LRA for Treasure Island or the tidelands trust trustee for the portions of Treasure Island subject to the tidelands trust, or any of the other powers or authority of the Authority. In 1999, the Navy and the Authority entered into a master lease dated March 17, 1999, with the associated estoppel certificate addressed to Subtenant (the "**Master Lease**"), as amended, a copy of which is attached hereto as Exhibit A. This Agreement shall be subject and subordinate to the Master Lease, as it may be amended from time to time. The Authority intends to negotiate a new master lease with the Navy. Upon completion, the Authority shall replace the Master Lease attached as Exhibit A with the new master lease and make any conforming changes to the section cross references in this Agreement.

E. The Authority began subleasing at market rates a portion of the former military housing now known as the Villages at Treasure Island through a lease with the John Stewart Company (the "**Original Villages Lease**"), and directly leasing space at the Base to a variety of commercial tenants. Upon the Effective Date of this Agreement, the Original Villages Lease will terminate.

F. There are approximately 1,000 units of housing on the Base, 904 on Treasure Island and 96 on Yerba Buena Island (the "**Base-Wide Housing Units**"). Approximately 578 of

the Base-Wide Housing Units, as shown on Exhibits B (the "**Rentable Units**") are currently leased to residential sub-tenants of Subtenant ("**residential tenants**"), and will be managed and maintained under the terms and conditions of this Agreement in order to generate revenues for the operation and improvement of the Base.

G. Pursuant to the Federal Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("**TIHDI**") and the City negotiated a Base Closure Homeless Assistance Agreement, as amended (the "**TIHDI Agreement**") and a revenue sharing and consent agreement (the "**TIHDI Sharing Agreement**"), under which TIHDI has the right to lease certain residential units at the Base (the "**TIHDI Units**") to assist homeless and formerly homeless individuals and families and to share in the collection of certain revenues at the Base in furtherance of its mission. Copies of these agreements are held by the Authority and have been delivered to Subtenant. Subtenant will be required to work in concert with TIHDI, as set forth in this Agreement.

H. In 2003, after a competitive bid process, the Authority Board selected Treasure Island Community Development, LLC ("**TICD**") as the proposed master developer of the Base. In 2011, the Authority and TICD entered into a Disposition and Development Agreement ("**TICD DDA**") and other transaction documents relating to the reuse and development of the Base (the "**Project**"). During the term of this Agreement, TICD and the Authority intend to implement the Project. Part of that implementation will require the relocation of residential tenants in accordance with the Transition Housing Rules and Regulations, as amended (the "**THRRs**"), attached hereto as Exhibit C.

I. On March 7, 2014, the Authority issued a Request for Proposals ("**RFP**"), soliciting interest from qualified entities to provide the services under this Agreement. Subtenant was selected, and following a duly noticed public hearing, this Agreement was approved by the Authority Board of Directors by Authority Board Resolution No. _____ and subsequently by the City's Board of Supervisors by Board of Supervisors Resolution No. _____

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Authority and Subtenant hereby agree as follows:

1. PREMISES

1.1. Premises. Subject to the terms, covenants and conditions of this Agreement, the Authority hereby subleases to Subtenant, and Subtenant hereby accepts from the Authority, the premises, as more particularly described in Exhibit B (the "**Premises**"), together with reasonable rights of ingress and egress to and from the Premises. The Navy has issued a Finding of Suitability to Lease ("**FOSL**") all of the Premises, and TIHDI has consented to Subtenant's use of any TIHDI Units that are a part of the Premises as set forth in the TIHDI Sharing Agreement.

1.2. As Is Condition of Premises

(a) Subtenant Investigation. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through Subtenant's agents, affiliates, subsidiaries, licensees, contractors, subcontractors, and each of the persons acting by, through or under each of them, and their respective, legal representatives, successors and assigns ("**Subtenant's Agents**") of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant has determined, based on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges that it has received, reviewed and understands of the Seismic Report and the Structural Report referenced in below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Without limiting any of the Authority's obligations herein, Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, including the use, occupancy, management, operation and possession of the Premises ("Laws"). Subtenant acknowledges and agrees that the Premises, as renovated, must comply with the Federal Government's FEMA-178 seismic life safety standard as the same exist as of the date hereof Subtenant acknowledges and agrees that, except as expressly provided herein, neither the Authority nor any of the Authority's agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and, without limiting any of its obligations hereunder, the Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report or the Structural Report, (ii) the quality, nature or adequacy of any utilities serving the Premises, (iii) the safety of the Premises, whether for the use of Subtenant, Subtenant's Agents, or any clients, customers, vendors, invitees, guests, or licensees of Subtenant, including residential tenants ("Subtenant's Invitees"), or (iv) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report and Structural Report. Subtenant expressly acknowledges for itself and Subtenant's Agents that it has received and read, and has had an adequate opportunity to review with expert consultants of its own choosing, the following: (i) that certain report dated August 1995, entitled "Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit D-1; and (ii) that certain Treasure Island Study, Seismic Evaluation of the 1440 Series Housing prepared by SOH and Associates, dated May 20, 1996, a copy of the cover page of which is attached hereto as Exhibit D-2 (the "Structural Report").

2. COMPLIANCE WITH MASTER LEASE

2.1. The Authority's Compliance with Master Lease. The Authority shall not do or permit to be done anything or fail to perform any obligation that would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord. The Authority shall not amend or modify the Master Lease in any material respect without Subtenant's prior written consent.

(b) The Authority intends to negotiate a new master lease with the Navy. Upon completion, the Authority shall replace the Master Lease attached as Exhibit A with the new master lease and make any conforming changes to the section cross references in this Agreement.

(c) The Authority shall keep Subtenant reasonably informed of any proposed material changes to the Master Lease during negotiations with the Navy and shall provide a copy of the final master lease before execution. If the new master lease contains revisions that materially negatively impact Subtenant, including a change that will likely impact Subtenant's ability to

receive the Management Fee set forth in this Agreement, Subtenant shall notify the Authority of same and the parties shall meet and confer in good faith for a period of not less than 30 days to determine how to proceed in light of the proposed revisions to the Navy master lease. If the parties are not able to agree on how to proceed and the new master lease includes provisions that materially negatively impact Subtenant (as compared to the existing Master Lease), then the parties shall refer the matter to nonbinding mediation as set forth in Section 8.6. If the parties are not able to reach agreement following mediation (or if the agreement is not approved by the Authority's Board of Directors or Subtenant's Board of Directors), and the Authority is unwilling to make revisions reasonably requested by Subtenant to reflect Subtenant's reasonable concerns regarding the negative impacts of the master lease revisions on Subtenant, then Subtenant shall have the right to terminate this Agreement, without penalty, upon one hundred eighty (180) days written notice to the Authority.

2.2. Subtenant's Compliance with Master Lease. Subtenant shall not do anything, permit anything to be done by its Agents or Invitees or fail to perform any obligation that would constitute a violation or a breach of any of the terms, conditions or provisions of Sections 4, 6.3, 8.1, 9, 11, 12.2, 12.6, 13 (other than 13.9 and 13.12), or 18.1 through 18.1.5 of the Master Lease.

2.3. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Agreement shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Agreement, except for liabilities and obligations which expressly survive termination of this Agreement and except as provided in Sections 21 and 22. As set forth in the Master Lease, the Navy has the right to remove some or all of the Premises, including Rental Units, from the Master Lease. Accordingly, for purposes of this Section, the Master Lease shall be treated as terminated for the period, and with respect to the Rentable Units, that the Navy requires to be terminated or evacuated pursuant to Section 15 of the Master Lease.

2.4. Purchase of Premises by Authority. If the Authority acquires all, or any portion of, the Premises from the Master Landlord, this Agreement shall automatically become a direct lease of such portion of the Premises from the Authority to the Subtenant on the same terms and conditions as set forth herein. The Authority shall use good faith efforts to enforce, for the benefit of Subtenant, to the extent of Subtenant's interest in the Premises under this Agreement, all representations, warranties, indemnities and similar rights given by the Master Landlord to the Authority in connection with such acquisition.

3. TERM

3.1. Term of Agreement. The Premises are subleased for a term (the "**Term**") commencing on the date (the "**Commencement Date**") which is the latest of the dates on which (a) the Parties hereto and the Master Landlord have duly executed and delivered this Agreement, (b) the effective date of an Authority Board resolution approving this Agreement, in its sole discretion, and (c) the effective date of a City Board of Supervisors resolution approving this Agreement, in its sole discretion. The Term shall expire on the date that is seven (7) years after the Commencement Date (the "**Expiration Date**"), unless sooner terminated or extended pursuant to the terms of this Agreement. The Authority shall deliver to Subtenant a notice substantially in the form of Exhibit E to confirm the actual Commencement Date and the Expiration Date, but the Authority's failure to do so shall not affect the commencement or expiration of the Term.

3.2. Extension Option. The Authority grants to Subtenant an option to extend the Term as to the entire Premises only (the "**Extension Option**") for an additional three (3) years (the "**Extension Term**") commencing on the Expiration Date. Subtenant may exercise the Extension Option at any time by written notice to the Authority delivered not later than one hundred eighty (180) days before the Expiration Date. If an event of default by Subtenant is

outstanding hereunder either at the time of Subtenant's exercise of the Extension Option or at any time before the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), then the Authority may elect by notice to Subtenant to reject Subtenant's exercise of the Extension Option, whereupon the previously delivered exercise notice shall be null and void. If Subtenant elects to exercise the Extension Option, then the lease for the Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants and conditions of this Agreement, and all references to the Term shall then include the Extension Term.

4. WORK TO BE COMPLETED BY SUBTENANT

4.1. Scope of the Work. The existing Rentable Units are shown in Exhibit B. The Authority shall have the right to add additional rentable units to the Premises at any time, and upon such addition, the Parties shall update Exhibit B to include the added units. Upon any such addition and upon any vacancy of a Rentable Unit, Subtenant shall promptly perform the standard work required to prepare the Rentable Unit for occupancy, and cause the Rentable Unit to be in a condition consistent with the other Rentable Units in the Premises (the "**Work**"). The standard work shall be generally approved by the Authority's Director of Island Operations (the "**Director**") from time to time, and shall be consistent with the Capital Budget (as defined in Section 4.2). Subtenant shall perform the Work in a good and workmanlike fashion and in accordance with applicable Laws. The Rentable Units shall at all times remain the property of the Authority during the Term and, as any improvements or renovations are completed, title to such improvements and renovations shall automatically vest in the Authority and be leased to Subtenant under this Agreement.

4.2. Cost of the Work. The estimated cost of the Work during each calendar year of the Term shall be shown in a budget prepared by Subtenant and approved by the Director (the "**Capital Budget**"). The Capital Budget for the first year of the Term is attached hereto as Exhibit F. Subtenant and the Director shall meet and confer to review the Capital Budget and the anticipated monthly renovation costs from time to time, and Subtenant shall inform the Director if it determines that the Capital Budget or the standard renovation cost must be increased to perform any Work. Subtenant must first obtain the written approval of the Director before performing any renovation that exceeds the standard renovation amounts approved by the Director, and before performing any Work during a calendar year that exceeds the amount set forth in Capital Budget for that year. Subtenant shall notify Director promptly upon any determination that the total cost of the Work paid to date together with the cost of Work reasonably anticipated to be incurred for the remainder of the year will exceed the total Capital Budget for that year.

4.3. Election Not to Proceed with Renovations. If Subtenant cannot perform any Work with respect to some or all of the Rentable Units or Buildings because the cost of the Work exceeds funds available under the Capital Budget, then Subtenant shall provide the Authority with written notice of such fact, which notice shall identify the Work that will not be performed and the estimated cost of such Work. In no event will Subtenant be required to perform Work for which funds are not available in the Capital Budget.

4.4. Construction of Other Alterations. Other than the Work, Subtenant may not and shall not be obligated to, construct, install, make or permit to be made any alterations, installations or additions ("**Alterations**") in, to or about the Premises, without the Director's prior written consent in each instance. Notwithstanding the foregoing, Alterations do not include and no such consent shall be required for maintenance and repair activities that are (i) required or contemplated hereunder, (ii) do not affect any structural portions of the Premises and (iii) are

within any cost limitations otherwise provided herein or in any Annual Operating Budget (as defined in Section 12.2). All Alterations shall be done in accordance with plans and specifications reasonably approved in advance by the Director in writing, by duly licensed and bonded contractors or mechanics approved by the Director, in a good and professional manner, in compliance with all applicable Laws (including the payment of prevailing wages), and subject to all other conditions that the Authority may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Base, or any portion thereof, or the Authority's or Master Landlord's access thereto. Before the start of any Alterations, Subtenant shall procure all required permits and approvals and shall, upon request, promptly deliver copies of such documents to the Director. No material change from the plans and specifications approved by the Director may be made without the Director's prior consent. The Authority and the Authority's Agents shall have the right to inspect the work and construction at all times, provided such inspection and site visits shall not unreasonably disturb or interfere with the work or the residential tenants.

4.5. Ownership of Alterations. Except for Subtenant's Personal Property (as defined in Section 4.7), or as may be specifically provided to the contrary in this Agreement, all appurtenances, fixtures, improvements, equipment, additions, and other properly attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including, without limitation, the Work and any other Alterations, shall be and remain the Authority's or the Master Landlord's property, as the case may be. Subtenant may not remove any such property at any time during or after the Term, unless replaced with property of at least comparable quality and utility, without the Director's prior written consent.

4.6. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment installed in the Premises by or for the account of Subtenant, that have not been paid for by the Authority through the use of Gross Revenues or otherwise, and that can be removed without structural or other material damage to the Premises (all of which are herein called "**Subtenant's Personal Property**") shall be and remain the property of Subtenant and may be removed by Subtenant subject to the provisions of Section 27. All property acquired with Gross Revenues, including any vehicles, will be transferred to the Authority upon the termination or expiration of this Agreement, and Subtenant agrees to provide a bill of sale or other evidence of the transfer of ownership upon request. The provisions of this Section shall survive the expiration or termination of this Agreement.

5. USE

5.1. Subtenant's Permitted Use. Subtenant shall use the Premises to operate, maintain, repair, and manage the Premises for residential housing in accordance with this Agreement, and for no other purposes.

5.2. No Unlawful Uses, Nuisances or Waste. Subtenant shall not use any portion of the Premises in any unlawful, illegal, offensive, noisy or hazardous manner (together, "**Nuisances and Hazards**") and shall use commercially reasonable efforts to prevent Subtenant's Invitees from committing any Nuisances and Hazards. Subtenant shall eliminate any Nuisances and Hazards relating to its activities and shall use commercially reasonable efforts to eliminate any Nuisances and Hazards related to the activities of Subtenant's Invitees.

5.3. Signs. Subtenant agrees that it will not erect or maintain, or knowingly permit to be erected or maintained, any signs, notices or graphics upon or about the Premises that are visible in or from any common areas of the Premises or from the exterior of the Rentable Units, without the Director's prior written consent.

5.4. Zoning. The Authority represents and warrants that, to the best of its knowledge, there currently exist no zoning or other Laws that would materially adversely affect Subtenant's use of the Premises as contemplated under this Agreement.

5.5. Covenant of Quiet Enjoyment; Ingress and Egress. Subject to the requirements of the Master Lease and the Navy's ongoing remediation, the Authority covenants and agrees that it shall not directly or indirectly interfere with or deprive Subtenant or Subtenant's Agents or Invitees of (i) their quiet enjoyment of the Premises for the uses permitted under this Agreement or (ii) reasonable ingress and egress to and from the Premises.

6. SUBTENANT'S MARKETING RESPONSIBILITIES

6.1. Marketing. Subtenant shall market the Rentable Units in accordance with industry custom and the Management Plan, and as otherwise directed by the Authority.

7. SUBTENANT'S LEASING AND RELOCATION RESPONSIBILITIES

7.1. Leasing. After Subtenant has completed the Work with respect to any given Rentable Units, Subtenant shall use commercially reasonable efforts to promptly enter into Rental Agreements (as defined in Section 7.3) with qualified residential tenants for such Rentable Units in accordance with the Marketing Plan. The Director may instruct Subtenant to keep Rentable Units vacant at any time so as to provide for available Rental Units to implement tenant relocations under the THRRs or to cooperate with the Navy's remediation program.

7.2. Application Process and Screening. Subtenant shall screen prospective residential tenants applications by applying customary credit and tenancy standards, all in accordance with the Marketing Plan. As set forth in Section 34.1, Subtenant shall not discriminate in the leasing of Rentable Units on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes. In addition, in the operation of the Project and the rental of any Rentable Units, the Subtenant shall not discriminate against prospective residential tenants using Section 8 certificates or vouchers or other tenant-based rental assistance, or other sources of income. Subject to the terms of Section 6.2, Subtenant shall also insure that Resident Tenant selection is carried out objectively and in accordance with industry standards.

7.3. Rental Agreements. Subtenant shall enter into rental agreements with all residential tenants in substantially the form of the rental agreement attached hereto as Exhibit G, as the same may be amended from time to time with the approval of the Director (the "**Rental Agreements**").

(a) All Rental Agreements shall be on a month-to-month tenancy, and subject to termination without cost or liability upon any termination of the Master Lease. All new rental agreements shall include a waiver of relocation rights and, where applicable, an acknowledgment of a tenant's post-DDA status per the THRRs. The Rental Agreements shall also include a waiver of any claims against Subtenant, the City and the Authority for any failure in the delivery of utility services.

(b) Subtenant shall be responsible for enforcing and shall take commercially reasonable actions to enforce the terms and conditions of all Rental Agreements, including, without limitation, (i) the collection of all such rents when due, (ii) the preparation and delivery to residential tenants of any appropriate late payment, default or other notices, (iii) the

conducting of exit interviews and walk-throughs, and (iv) the prompt collection and timely disbursement of all security deposits. Without violating any privacy or other applicable Laws, Subtenant shall use commercially reasonable efforts to insure that all residential tenants comply with the terms and conditions of their respective Rental Agreements.

(c) Subject to Section 6.3, Subtenant shall receive complaints and use commercially reasonable efforts to resolve any complaints, disputes or disagreements by and between Subtenant and one or more residential tenants. Subtenant may retain counsel, collection agencies, and other such persons and firms as Subtenant shall deem appropriate (with the costs there of being included as an Operating Expense, subject to the overall Annual Operating Budget limitations) to enforce by legal action the rights and remedies of the Subtenant against any residential tenant in default in the performance of any of its obligations under a Rental Agreement, including, without limitation, taking action to terminate or evict any residential tenant where sufficient cause for such termination or eviction exists under the terms of such residential tenant's Rental Agreement.

7.4. Rental Rates. The rental rates for all Rentable Units have been set by the Authority at the rates described on the Rental Rate Schedule attached hereto as Exhibit H (the "**Approved Rates**"). The Approved Rates shall increase each year in amount determined by the Authority, with such permitted increases being assessed under the Rental Agreements. The rental rates may not be changed from the Approved Rates without the prior written consent of the Authority, except upon any vacancy, the Director and Subtenant may agree in writing to increase or decrease the rental rate of any Rentable Unit by no more than fifteen percent (15%) of the rental rate for such Rentable Unit provided for in the Approved Rates.

7.5. Grievance Procedures. Subtenant shall notify applicants of their eligibility status and advise any rejected or ineligible applicant of their right to appeal by providing them with a copy of the Grievance and Appeal Procedure that is a part of the Marketing Plan.

7.6. Relocation of Tenants. Subtenant shall perform all work, in cooperation with the Authority, required to relocate residential tenants in accordance with the THRRs. All such relocations shall be done in close coordination with the Authority, and all costs incurred by Subtenant in connection with such relocations shall be approved Operating Expenses.

8. MANAGEMENT, MAINTENANCE AND REPAIR RESPONSIBILITIES

8.1. General Maintenance and Repair Obligations. Except as specifically provided herein, and to the extent consistent with the spending limitations imposed by any Annual Operating Budget, Subtenant assumes full and sole responsibility for the condition, operation, repair, maintenance and management of the Premises and shall keep the Premises in a good condition and in a manner otherwise reasonably acceptable to the Authority. Subject to Section 8.3 and the spending limitations set forth in any Annual Operating Budget, Subtenant shall make all routine repairs and replacements, interior and exterior, foreseen and unforeseen, that are necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair for safe and sanitary residential housing. Notwithstanding anything to the contrary contained herein, (a) Subtenant shall have no responsibility for maintaining, repairing or in any way managing any streets, curbs, or sidewalks included within and around the Premises (other than any incidental cleaning of sidewalks needed as a result of Subtenant's responsibility for the adjacent grass areas), except as may be mutually agreed to between the Subtenant and the Authority, (b) Subtenant shall have no responsibility for maintaining, pruning or clearing any trees or brush subject to Fire Department mandated tree trimming and brush clearance on Yerba Buena Island, and (c) upon the request of the Authority, and subject to the prior approval of the Director and Subtenant following a determination of the cost, Subtenant shall perform maintenance and repair on Treasure Island and Yerba Buena Island

inside or outside the Premises that would otherwise be the obligation of the Authority (the "Added Work"). For any Added Work performed by Subtenant, the Authority shall pay to Subtenant the actual cost incurred by Subtenant for the Added Work, together with a negotiated management fee, agreed to by the Parties in writing, to cover Subtenant's administrative expenses and insurance (which management fee will be paid in the same manner that the Management Fee is paid under Section 13.1(d)).

8.2. Routine Maintenance and Repair. Without limiting the generality, but subject to the limitations of Section 8.1 and to the extent consistent with spending limitations imposed by any Annual Operating Budget, Subtenant's maintenance and repair responsibilities shall include without limitation cleaning, painting, plumbing, carpentry, grounds care and such other routine maintenance and repairs as may be reasonably necessary to meet the maintenance standards described in Section 8.1. In performing these functions, Subtenant shall:

- (a) Receive and investigate all requests for maintenance and repair from residential tenants and cause such routine repairs to be promptly and professionally completed when appropriate and warranted in accordance with the standards set forth in this Agreement.
- (b) Annually develop and implement a preventive maintenance schedule taking into account the remaining anticipated life of the Rental Units. The preventive maintenance schedule shall be presented to the Authority for its reasonable approval together with each year's Annual Operating Budget.
- (c) Contract with qualified independent contractors, paying prevailing wages, for the maintenance and repair of items that is not performed by regular maintenance employees. Subtenant shall consult with the Director on which work items may be performed by Subtenant's maintenance employees and which work items should be performed by third party contractors.
- (d) Inform all residential tenants of the procedures to obtain maintenance and repair services during and after normal office hours, and in cases of an emergency.
- (e) Maintain a log book containing reports of all service requests and maintenance repairs provided, copies of which shall be subject to periodic inspection by the Authority.
- (f) Purchase all materials, equipment, tools, and appliances, supplies and services necessary to ensure proper maintenance and repair of the Premises.
- (g) Maintain all landscaping, grounds and common areas for the Premises.
- (h) Provide pest control services within the Premises as needed and use commercially reasonable efforts to keep the Premises reasonably free of pests at all times.
- (i) Contract for rubbish collection with an entity permitted by the City or the Authority and use commercially reasonable efforts to (i) ensure that the Premises are reasonably free from rubbish, debris and refuse at all times, and (ii) encourage maximum waste diversion consistent with City policies.

8.3. Unanticipated and Emergency Maintenance and Repairs. Subtenant shall perform all repairs that are necessary to avoid the suspension of necessary services to the Premises (other than utility services described in Section 10.1), or as otherwise needed to comply with the general maintenance and repair obligations described above, even though such repairs that are not included in an Annual Operating Budget, but only to the extent the costs of such repairs can be paid (and are paid) from funds in the Replacement Reserve Account and Subtenant receives the Director's prior consent as described in Section 11.3. Notwithstanding the foregoing, except

as provided in the next sentence, Subtenant shall make all repairs that are immediately necessary for the preservation or protection of the Premises or the safety of residential tenants or other persons in or on the Premises ("**Emergency Repairs**"), without the Authority's prior approval and without limitation as to cost and regardless of whether there are adequate funds available in the Replacement Reserve Account for such repairs; provided, however, that in each such instance Subtenant shall, before causing any such Emergency Repairs to be made, use commercially reasonable efforts to notify the Director of the emergency situation and obtain the Director's approval of such Emergency Repairs. Subtenant has no obligation to make or cause to be made any such repairs during the final year of the Term in excess of the greater of \$100,000 and the amount in the Replacement Reserve. Subtenant's reasonable costs of any such Emergency Repairs shall automatically be reimbursed from the Replacement Reserve Account, to the extent of the amounts therein, and any excess shall be deemed an approved Operating Expense under Section 12.1. If Subtenant must advance funds under the preceding sentences, then Authority shall reimburse Subtenant therefore if and to the extent there are sufficient Gross Revenues through the remaining Term to do so.

8.4. Security. Subject to the spending limitations contained in any Annual Operating Budget, Subtenant shall provide private, on-site, licensed, qualified security personnel to the Premises that are reasonably satisfactory to Authority as budgeted in each Annual Operating Budget. Without limiting the Authority's rights under this Agreement, the Authority agrees that it will not sue Subtenant for any action taken or failed to be taken by such security personnel, except to the extent caused by the negligence or willful misconduct of Subtenant.

8.5. Subtenant's Responsibility for Utility Facilities. Subtenant's responsibility for the repair and maintenance of water, electric, gas and sewer utility facilities relating to the Premises are limited to those as set forth in Section 2(a) of Exhibit 1.

8.6. Management Fee. For performance of its management, maintenance and repair obligations under this Agreement, provided that no Subtenant Default has occurred and is continuing, Subtenant shall be entitled to receive from available Gross Revenues (in the order of priority described in Section 13, a management fee (the "**Management Fee**"), payable on the tenth (10th) day of each month, equal to three percent (3%) of Gross Revenues, up to a maximum of Four Hundred Thousand Dollars (\$400,000) per year, which maximum shall be revised annually on the anniversary of the Commencement Date to reflect increases in the Index described in Section 15.2. If, at any point, the number of Rentable Units is reduced to below Two Hundred Ten (210), Sublandlord and Subtenant shall meet and confer regarding establishing a new Management Fee structure or amount that is intended to maintain the benefit of the bargain of the parties (i.e., Subtenant receives a rational and fair fee in light of reduced number of units and revenues and will not reasonably be expected to advance its own funds to pay required Operating Expenses), given the totality of the circumstances that then exist and that led to the reduction in the number of Rental Units. If Sublandlord and Subtenant are unable to agree upon a new Management Fee, then either party may initiate mediation, as follows:

(a) Either or both of the parties may request the initiation of mediation by delivering a written request for mediation ("Mediation Request") to the other party. The Mediation Request must (1) include a brief summary of the issue and the proposed new Management Fee, and (2) list at least two neutral mediators who are acceptable to the requesting party for mediation. Within five business days after the requesting party's delivery of a Mediation Request, the responding party must deliver a response to the Mediation Request ("Mediation Response"), which must (a) include a responding proposal for a new Management Fee and any other issues deemed relevant by the responding party, and (b) state whether any of the neutral mediators listed in the Mediation Request are acceptable and, if none are, then the Mediation Response must list at least 2 additional neutral mediators who are acceptable to the responding party. Within ten calendar days after delivery of the Mediation Response, the parties will attempt in

good faith to agree upon a neutral mediator to preside over the mediation. If the parties are not able to agree upon a neutral mediator within ten calendar days after delivery of the Mediation Response, the parties must apply to AAA or JAMS for selection of a neutral mediator. The mediator must be a person knowledgeable in real estate professional services and management, and must have no current involvement with either party, unless agreed to by the parties with full disclosure. The parties will share equally in the cost of any mediation.

(b) In consultation with the parties, the mediator will fix the date, time, and place of the mediation session. The mediation may be held at any convenient location agreeable to the parties and the mediator in San Francisco. Mediation must be completed within 30 days following selection of the mediator. Both parties must attend the mediation session. The mediator will work with both parties to present a fair Management Fee that maintains the benefit of the bargain in light of the reduced number of units. The recommendation of the mediator shall not be binding on the parties. Any communication between a party and the mediator must be in writing or held during the mediation session, and shall include the other party.

(c) If the parties reach agreement on the proposed new Management Fee structure or amount, then they shall each seek necessary approvals for an amendment to this Agreement to reflect the new Management Fee structure or amount. For the Authority, any such amendment shall be approved by the Authority's Board of Directors and shall not require approval of the City's Board of Supervisors or Mayor.

(f) If the parties are not able to reach agreement following mediation (or if the agreement is not approved by the Authority's Board of Directors or Subtenant's Board of Directors), then Subtenant shall have the right to terminate this Agreement, without penalty, upon one hundred eighty (180) days written notice to the Authority.

8.7. Base Repair and Maintenance. The Authority covenants to use good faith efforts to enforce the repair, maintenance and similar provisions of its sublease with TIHDI and to maintain the exterior of all other residential units and associated grounds on the Base, which the Navy leases to the Authority but are not Premises hereunder, to generally the same level as Subtenant is required to repair and maintain the Premises.

9. EMPLOYEES AND INDEPENDENT CONTRACTORS

9.1. On-Site Office. In performing its obligations under this Agreement, Subtenant shall establish and maintain at all times during the Term a management office (and separate property maintenance, storage and service space) at the Premises responsible for overseeing all of Subtenant's management, maintenance, leasing, and other operational obligations under this Agreement. The management office shall be located in Suite 161 at Building One on Treasure Island, and the property maintenance, storage and service space shall be located at Building 264 on Treasure Island and Subtenant shall pay rent for such spaces at the monthly rates set forth in the Authority's Subleasing Policy. The Authority shall have the right to relocate the management office, with not less than 30 days prior written notice, to alternative space in Building One that is reasonably comparable in size and quality, at no cost to Subtenant.

9.2. Personnel. In performing its obligations under this Agreement, Subtenant shall, consistent with the spending limitations contained in each Annual Budget, hire, employ and/or assign experienced, qualified residential real estate marketing, leasing, maintenance, repair, management and any other persons necessary or advisable for the proper operation of the Project, as determined by Subtenant in its reasonable discretion. Any such persons shall be employees or contractors of the Subtenant, and not the Authority or the City. Subtenant shall direct and supervise all employees, contractors or agents in the performance of their duties under this Agreement. Subtenant shall use due care in the selection of personnel it hires or employs to

perform Subtenant's management responsibilities under this Agreement. The number of employees, their job descriptions and salaries, shall be determined by Subtenant in its sole discretion based on the provisions of the management plan attached as Exhibit J (the "**Management Plan**") and consistent with any spending limitations imposed by any Annual Operating Budget. All such personnel shall be hired, supervised, and discharged by Subtenant and Subtenant shall pay all wages and other benefits properly payable to any employees hired in connection with the Project, maintain adequate payroll records, remit to the proper authorities all required income and social security withholding taxes, unemployment insurance and workers compensation payments, and such other amounts with respect other wages or benefits of employees of Subtenant working on or with the Project as may be required by Laws or this Agreement.

10. AUTHORITY'S SERVICE OBLIGATIONS

10.1. Utilities.

(a) Standard Utilities and Services. The Authority shall use good faith efforts to provide or cause to be provided to the Premises the gas, electricity, water, and sewage services and facilities described in Exhibit I (the "**Standard Utilities and Services**"), consistent with the Authority's obligations under the Caretaker Agreement with the Navy for so long as it remains in effect and subject to Subtenant's obligations under Section 8.5. Subtenant acknowledges that the utility systems on the Base are old, and that continuous service cannot be guaranteed. As such, the Authority shall have no liability under this Agreement for the failure of any utility service. All amounts due and owing for the Standard Utilities and Services shall be paid by Subtenant from Gross Revenues as an approved Operating Expense at the rates set forth in Exhibit I, as the same may be updated from time to time by the Authority (the "**Utility Fees**"). For any increase in Utility Fees, the Authority shall determine whether such increase will be passed through to residential tenants in the form of an increase in rent or as a separate utility charge, or paid out of available funds in the Operating Budget.

(b) Other Services. The Authority shall use good faith efforts to provide standard telephone, trash, disposal and cable services to the Premises. Any Subtenant costs for such services will be deemed approved Operating Expenses.

(c) Correction. Upon the loss of any service under this Section 10.1, the Authority shall use good faith efforts to promptly commence action to restore such services within 60 hours of notice of such failure. But failure to provide any such service shall not be an Authority default under this Agreement. Any claims by residential tenants at the Premises relating to failures of utility services, if successful, will be paid as an approved Operating Expense.

10.2 Street Services. The Authority shall be responsible for street, sidewalk and street lighting maintenance and repair to all current and future sidewalks (other than any incidental cleaning of sidewalks needed as a result of Subtenant's responsibility of the adjacent grass areas), curbs, streets and roads included within the Premises, including any required handicap accessibility, provided nothing in this Agreement shall obligate the Authority to comply with specific State or local codes or standards.

10.3 Police and Fire. The Authority shall provide to the Base a 24-hour security presence at an entry check point to the Premises on Treasure Island (whose actions shall be limited to those permitted by Law), and reasonable (taking into account the location and intended use of the Premises) police and fire services (the "**Public Protection Services**"). Subtenant agrees that it will not sue the Authority for any action taken or failed to be taken in connection with such Public Protection Services. The Authority shall be responsible for all maintaining,

pruning and clearing of any trees or brush on Yerba Buena Island required by Fire Department mandated tree trimming and brush clearance rules.

10.4 Other Portion of the Base Lease to the Authority. The Authority or its subtenants (but not Subtenant) shall be solely responsible for and shall take reasonable actions to secure and make safe those portions of the Base not comprising the Premises which are leased to the Authority by the Master Landlord, and shall make reasonable efforts to mitigate any attractive nuisances thereon.

10.5 Force Majeure. The time for the Authority's performance of its obligations under this Section 10 shall be extended by one day for each during which the Authority or its Agents are unable to perform such obligation due to any Force Majeure Event.

11. ACCOUNTS

11.1. General Operating Account. Subtenant shall credit to a separate general operating account (the "**General Operating Account**") all revenues from whatever source received from the operation of the Premises, including (i) all rent received from residential tenants, including late fees and interest charges, if any, (ii) the gross amounts of all deposits forfeited by residential tenants, (iii) all charges or collections made by Subtenant from residential tenants for the rendering of any service in connection with Premises, (iv) any and all ancillary or collateral fees collected from residential tenants or other third Parties related to Subtenant's use of the Premises (together, "**Gross Revenues**"), other than the security deposit payments to be deposited into the Security Deposit Account described in Section 11.2 .

11.2. Security Deposit Account. Subtenant shall deposit all security deposits collected in accordance with the Residential Agreements in a separate Security Deposit Account established for the benefit of the Authority, Subtenant and residential tenants. Funds deposited in the Security Deposit Account may only be disbursed to pay the costs permitted under the Rental Agreements, including any unpaid rent, damage, or unreasonable wear and tear caused by a residential tenant, or to reimburse the General Operating Account for payment of these costs, or to return to the residential tenant upon vacancy the portion of the security deposit to which it is entitled. In collecting, handling, and disbursing these funds, Subtenant shall comply with the requirements of applicable Law, including California Civil Code Section 1950.5 and Business and Professions Code Section 10145.

11.3. Replacement Reserve Account. Subtenant shall maintain a replacement reserve account (the "**Replacement Reserve Account**"). Subtenant shall deposit into the Replacement Reserve Account on a monthly basis from available Gross Revenues in the order of priority set forth in Section 13 an amount equal to \$20 per Rentable Unit up to a maximum contribution of One Thousand Dollars (\$1,000) per Rentable Unit or such alternative amount as determined by the Director from time to time following consultation with Subtenant. As funds are disbursed from the Replacement Reserve Account, Subtenant shall replenish the Replacement Reserve Account at the rate set forth above. Subtenant shall make disbursements from the Replacement Reserve Account to perform permitted repairs and maintenance to the Rentable Units and to perform any Emergency Repairs as set forth in this Agreement. Disbursements from the Replacement Reserve Account in excess of Twenty Five Thousand Dollars (\$25,000) per calendar quarter shall require the prior written approval of the Director, which approval shall not be unreasonably withheld or delayed. The process by which Subtenant shall request and Director shall approve or disapprove disbursements from the Replacement Reserve Account shall be consistent with the HUD guidelines for repairs and replacement. Upon the termination of this Agreement, all funds remaining in the Replacement Reserve Account shall be paid to the Authority.

11.4 Criteria for Project Accounts. The General Operating Account, the Replacement Reserve Account and the Security Deposit Account shall be held in federally insured accounts reasonably acceptable to the Director.

12. PAYMENT OF OPERATING EXPENSES

12.1. Payment of Operating Expenses. Subtenant shall pay all Operating Expenses for the Premises, including Base Rent, from available Gross Revenues, or, if Gross Revenues are not available, up to a maximum at any one time of Five Hundred Thousand Dollars (\$500,000) from its own funds, in the order of priority set forth in Section 13. To the extent included in an Annual Operating Budget approved by the Authority, "**Operating Expenses**" shall mean all direct, reasonable and customary operating and maintenance expenses incurred in the operation, leasing, marketing and maintenance of the Premises as required hereunder, including (i) reasonable salaries or other compensation due and payable to employees or agents of Subtenant described in any Management Plan, (ii) expenses for the repair and maintenance of the Premises, including common areas and or common facilities included in the Premises, (iii) reasonable and customary fees and expenses of legal and accounting professionals incurred by Subtenant in connection with the operation and maintenance of the Premises, including any evictions and relocations of residential tenants, and (iv) any other costs included in an Annual Operating Budget approved by the Authority. Notwithstanding the foregoing, "Operating Expenses" shall also include the following expenses even if such expenses are not included in an Annual Operating Budget approved by the Authority: (a) expenses incurred by Subtenant or the Authority as a result of environmental contamination of the Premises that are not paid by the Navy under the Section 330 Indemnity (as defined in Section 24.3), except to the extent such expenses are caused by the negligence or willful misconduct of Subtenant or the Authority, or their Agents, respectively, (b) all common area maintenance charges assessed by the Authority Agreement (the "**CAM Charges**"), (c) the Utility Fees, (d) all Taxes due and owing under Section 16, (e) payroll and withholding taxes and social security payments due and payable in connection with employees described in any Management Plan, (f) the costs of the insurance required under Section 25, except with respect the insurance described in Sections 25. 1(c) and (e) which must be approved in the Annual Operating Budget be included, (g) the costs of complying with Laws and regulatory requirements as provided below, (h) the actual costs of the liabilities or costs described herein as approved Operating Expenses including those expenses so described in Sections 6.3, 8.3, 8.6, 10.1, 12.1, 14.3, 17.1, 18.1(a), 18.2, 22. 1(d), and 24.3, and (i) Base Rent, as reduced by any off-set permitted under this Agreement. Additionally, with respect to cost and expense items that are incurred less frequently than monthly (e.g., property taxes and insurance), each month's Operating Expenses and Budget shall include one-twelfth (1/12) of the annual amounts expected to be expended on such items and Operating Expenses shall be adjusted to reflect the amount actually paid at the end of each year, or when otherwise directed by the Director.

(a) If, at any point, Subtenant must incur Operating Expenses in excess of One Hundred Thousand Dollars (\$100,000) from its own funds, Subtenant and Authority shall meet and confer regarding potential actions to prevent Subtenant from needing to incur additional out-of-pocket expenses.

12.2. Annual Operating Budget. Subtenant shall prepare and submit an annual operating budget to the Authority for its approval by the first day of the eleventh full month of the Term or such other date as agreed to by the Director, and by the same date of each subsequent calendar year during the Term, covering the following 12-month period (upon approval, the "**Annual Operating Budget**"). The Annual Operating Budget shall set forth, on an annual and monthly basis, anticipated Gross Revenues, a detailed estimate of anticipated Operating Expenses, and a pro forma budget showing distributions in the order of priority shown

in Section 13. The Annual Operating Budget for the first year and any partial initial month of this Agreement is attached hereto as Exhibit F. Each subsequent Annual Operating Budget shall be in substantially the same form as the Annual Operating Budget approved for the prior year. Subtenant shall not, without the Director's prior written consent (and when given shall be deemed an amendment to the Operating Budget), incur costs in any calendar month that exceed the Operating Expense budget for such month by more than five percent (5%) (treating amounts paid less frequently than monthly, as accruing evenly over the appropriate period), or for any year, that exceed the Operating Expense budget for such year by more than five percent (5%).

12.3. Bids, Discounts, Rebates, and Commissions. Subtenant shall use commercially reasonable efforts to obtain contracts, materials, supplies, and services on the most advantageous terms available to Subtenant and shall, whenever practicable, solicit three (3) bids for each major item or service required. Subtenant shall secure and credit to the General Operating Accounts all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions related to this Agreement.

12.4 No Authority Liability. Under no circumstance shall the Authority be liable for the payment of any Operating Expenses.

13. DISBURSEMENTS

13.1. Allocation of Gross Revenues. Subtenant shall, by the twentieth (20th) day of each month, disburse Gross Revenues not previously disbursed (calculated as of the last day of the prior month and, to the extent amounts are not or cannot be disbursed until the calculations for such month have been made hereunder, but are disbursed after such calculation is made, such disbursement shall be treated as made at the end of such month), in the manner and in the following order of priority:

(a) Base Rent. Gross Revenues shall first be disbursed to pay the Authority all Base Rent due and owing as provided in Sections 15.1 and 15.2 or used to reimburse Subtenant for advances made to pay such Base Rent during the current month.

(b) Operating Expenses. Then, to the extent available, Gross Revenues shall be disbursed, from time to time, to pay all Operating Expenses or to reimburse Subtenant for advances made to pay Operating Expenses incurred, together with interest on such advances at the Prime Rate as published in the Wall Street Journal as of the date of such advance, as provided in Section 12.

(c) Funding of Replacement Reserve Account. Then, to the extent available, remaining Gross Revenues in the amount required by Section 11.3 shall be deposited into the Replacement Reserve Account.

(d) Management Fee. Then, to the extent available and if a Subtenant Default has not occurred and is not continuing, remaining Gross Revenues shall be disbursed to pay Subtenant the Management Fee described in Section 8.6.

(f) Percentage Rent. Then, all Gross Revenues remaining after the payment of the expenses and the other fees and items described in Sections (a)-(d) above ("Net Revenues") shall be paid as follows: ninety-five percent (95%) shall be paid to the Authority as Percentage Rent, and the remaining five percent (5%) shall be retained by the Subtenant.

Notwithstanding anything to the contrary set forth above, during the last year of the Term, if and to the extent Subtenant has incurred any Operating Expenses which have not yet been reimbursed to Subtenant from Gross Revenues, then such reimbursements shall be made to

Subtenant from available Gross Revenues until reimbursed in full before any payment of Base Rent to Sublandlord.

14. BOOKS, RECORDS AND REPORTS

14.1. Books and Records. Subtenant shall establish and maintain books, records and systems of account reflecting all business operations of Subtenant under this Agreement, including, but not limited to, resident and project files, general ledgers, invoices, canceled checks, payroll records, and contracts (the "**Books and Records**").

14.2. Monthly Reports. Promptly after the close of each month but no later than 20 days after such date, Subtenant shall deliver to the Authority a monthly report on a form acceptable to Authority. Such report shall be certified as true and correct in all material respects by Subtenant and shall include: (i) a statement of Gross Revenues for the preceding month, specifically and separately identifying the sources of such revenue, (ii) an itemized statement of actual Operating Expenses, (iii) a statement of Net Revenues, (iv) a list of all Residential Leases that have been entered into during the preceding calendar month, including the building number of each of the Rentable Units rented, the classifications of the residential tenants and the applicable rental rate, and (v) such other information as the Authority may reasonably require.

14.3. Subtenant's Annual Audit. Annually during the Term of this Agreement, within sixty (60) days of the end of the Authority's fiscal year, Subtenant shall arrange for an audit of the Books and Records by an independent certified public accountant approved by the Director. Subtenant shall pay all costs and expenses associated with the annual audit, the reasonable costs of which shall be deemed Operating Expenses. Such audit shall cover the previous 12-month period. Subtenant acknowledges that a primary purpose of such audit shall be to enable Subtenant and the Authority to clearly and accurately determine the nature and amount of Gross Revenues, Operating Expenses and Net Revenues and to verify the amount of Percentage Rent due and payable to Authority and to otherwise determine the accuracy of the Books and Records. Subtenant shall deliver an original, signed copy of each such annual audit to the Director by the earlier of (a) thirty (30) days after the completion of such audit or (b) if possible using commercially reasonable efforts, 120 days after the end of the 12-month period covered by such audit.

14.4. Periodic Audits and Inspections of Records. After providing Subtenant with 48 hours prior written notice and only during regular business hours, and subject to any privacy or other limitations imposed by applicable Laws, the Authority, its representatives or an independent auditor may audit, examine and make excerpts, copies and transcripts from the Books and Records and all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. The Authority may perform such audit at any time and from time to time during the Term or for a period of five (5) years thereafter. If the Authority's audit shows that there is a deficiency in the payment of any Rent or other amounts to be credited to the Authority, the deficiency shall become immediately due and payable to the Authority. The costs of any periodic audit shall be paid by the Authority unless the audit shows that Subtenant understated Rent or other amounts due by more than five percent (5%) for the entire period being audited, in which case Subtenant shall pay all of the Authority's reasonable costs of the audit.

14.5. Transfer of Records and Accounts. Within five (5) working days after the termination or expiration of this Agreement, (i) all resident and project files, general ledgers, invoices, payroll records and contracts related to this Agreement, and all other Books and Records reasonably requested by the Authority, subject to any privacy or other limitation imposed by applicable Laws, shall be deemed to be the property of the Authority and shall be

delivered to the Authority, and (ii) all cash, bank accounts, and trust accounts that are property of the Authority must be accounted for in writing and turned over to the Authority.

15. RENT

15.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to the Authority, base rent in the amount of Six Hundred Thirty Two Thousand Eight Hundred and Six Dollars (\$632,806) per year, subject to the adjustment set forth in Section 15.2 and offsets and adjustments as expressly provided in this Sublease (the "**Base Rent**"). Base Rent shall be payable in twelve (12) equal consecutive monthly payments on the first day of the Term (for any partial first-month and the first full month) and on or before the first business day of each month thereafter. Notwithstanding the foregoing, Subtenant shall have no obligation to pay the Authority Base Rent if and for so long as Master Landlord, the City or the Authority, after the receipt of written notice thereof and the expiration of the cure periods described in Section 21.2, materially hinders or prevents Subtenant from performing its obligations under this Agreement, except to the extent such hindrance or obstruction is caused by Subtenant.

15.2. Adjustments in Base Rent. On the first anniversary of the Commencement Date, and each anniversary thereafter (each, an "**Adjustment Date**"), the Base Rent payable hereunder shall be adjusted as follows (each adjustment a "**CPI Adjustment**"):

(a) The Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics ("**Index**") published most immediately preceding the Adjustment Date ("**Adjustment Index**"), shall be compared with the Index published most immediately preceding the prior Lease Year ("**Prior Index**").

(b) If the Adjustment Index has increased over the Prior Index, the Base Rent payable on and after the Adjustment Date shall be set by multiplying the then Base Rent by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Prior Index. In no event shall the monthly Base Rent on or after the Adjustment Date be less than the monthly Base Rent in effect immediately before the Adjustment Date.

(c) If the Index is changed so that the base year differs from that used as of the date most immediately preceding the Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

15.3 Percentage Rent. In addition to Base Rent, Subtenant shall pay to the Authority as percentage rent the amounts set forth in Sections 13.1(f) (collectively, the "**Percentage Rent**", and together with Base Rent and other dues due under this Agreement, "**Rent**"). Percentage Rent shall be due and payable to the Authority from available Gross Revenues in arrears (based on the amount of Percentage Rent due for the immediately preceding month) on the twentieth (20th) day of each month.

15.4 In-Kind Rent. Upon the Director's request, Subtenant may also pay to the Authority "In-Kind Rent" in the form of the renovations and improvements to the Premises, to the extent such renovations or improvements are not paid from Gross Revenues. Any In-Kind Rent shall be deemed paid by Subtenant when Subtenant performs the work to the Director's satisfaction and provides appropriate evidence of the cost of such work, consistent with pre-

approved estimated amounts. Upon the Director's approval of the work and the cost amount, Subtenant shall receive a credit against Base Rent otherwise due and owing under this Agreement in the amount approved by the Director. All renovations and improvements made to the Premises as payment of In-Kind Rent shall immediately become the property of the Master Landlord, subject to the leasehold interest of the Authority, as set forth in the Master Lease, and shall also immediately, without further action on the part of either the Authority or the Subtenant, become part of the Premises.

15.5 Method of Payment of Rent. All Rent payable by Subtenant to the Authority shall be paid without prior demand and without any deduction, setoff or counterclaim whatsoever, except as specially provided in Section 15.8(a) and, except for In-Kind Rent, shall be paid in cash or by good cashier's or certified check to the Authority at the primary address for Authority specified in Section 33.1 or such other place as the Authority may designate in writing. If the Commencement Date occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

15.6. Late Charge. If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount will be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by the Authority and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that the Authority will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult to determine. The late payment charge constitutes liquidated damages to compensate the Authority for its damages resulting from such failure and Subtenant shall promptly pay such amount to the Authority together with the unpaid amount.

15.7. Default Interest. If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount shall also bear interest from the due date until paid at the rate of nine percent (9%) per year (the "**Default Rate**"). However, interest shall not be payable on late charges nor on any amounts if and to the extent such payment would cause the total interest to be in excess of that which is lawful to charge. Payment of interest shall not excuse or cure any default by Subtenant.

15.8. No Right to Repair and Deduct. Except as specifically provided in Section 15.8(a), Subtenant expressly waives the benefit of any existing or future Law that would otherwise permit Subtenant to terminate this Agreement because of the Authority's failure to keep the Premises or any Parties thereof in good order, condition or repair. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Agreement.

(a) Permitted Offsets against Base Rent. Notwithstanding the foregoing, Subtenant may offset the following sums against its obligation to pay Base Rent:

(i) Any increase in the amount of the CAM Charge payable by Subtenant after the Effective Date of this Agreement. The Parties hereby acknowledge and agree that for the purposes of this Sublease, the Parties will treat the rates used by the Authority to calculate the CAM Charge as \$50.37 per unit per month. The Parties hereby acknowledge that CAM Charge payable hereunder shall be subject to annual adjustment to increase CAM Charge by three percent (3%).

(ii) Except to the extent paid by Authority pursuant to Section 22.2(c), after the expiration of any applicable notice and cure periods (except in the event of an emergency as determined by Subtenant where prior notice by Subtenant is impractical), the reasonable costs of providing the services the Authority is obligated to provide under Sections 10.1, 10.2 or 10.3; provided, however, nothing herein shall imply any duty of Subtenant to do any act that the Authority is obligated to perform under any provision of this Agreement, and Subtenant's performance of such obligations of the Authority shall not constitute a waiver of any of Subtenant's rights or remedies under Section 22.2.

(iii) If Subtenant is required by any third Parties with jurisdiction to (x) reduce the rental rates payable by the residential tenants from those set forth in any Rental Rate Schedule approved by the Authority and Subtenant (other than as provided in Section 7.4) for non-economic reasons or (y) provide rent preferences other than those set forth in the Marketing Plan, then the economic effect of such reductions and preferences, if any, shall be borne by the Authority by reducing Base Rent by the amount of such economic effect.

(iv) All costs directly related to a material breach by the Authority of its obligations under Section 18.2(b).

16. TAXES, ASSESSMENTS AND OTHER EXPENSES

16.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. During the Term, Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, exercises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises (collectively, "**Taxes**"). Subtenant shall make all such payments directly to the charging authority when due and payable and prior to delinquency. However, with respect to real property or possessory interest Taxes levied on or assessed against the Premises for which the Authority receives the tax bill directly from the taxing authority, Subtenant shall reimburse the Authority for payment of such sums promptly upon written demand accompanied by (i) a copy of the relevant bill or tax statement and (ii) evidence of payment in full of such Taxes by the Authority. The amount of all such Taxes paid by the Subtenant shall automatically be deemed an approved Operating Expense.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Agreement may create a possessory interest subject to property taxation.

(c) No Tax Liens. Subtenant shall not allow or suffer a lien for any Taxes to be imposed upon the Premises or upon any equipment or other property of Subtenant located thereon and shall discharge the same prior to delinquency; provided however that Subtenant shall have the right to contest any such taxes so long as Subtenant posts with the taxing authority any bond or other security required thereby.

(d) Reporting Information. Subtenant agrees to provide such information as Authority may reasonably request to enable the Authority to comply with any possessory interest tax reporting requirements applicable to this Agreement.

16.2 Evidence of Payment. Subtenant shall, upon the Authority's request, furnish to the Authority official receipts or other evidence of the payment of Taxes.

17. LIENS AND ENCUMBRANCES

17.1. Mechanics Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. If Subtenant does not, within twenty (20) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, the Authority shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by the Authority and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable by Subtenant to the Authority upon demand. To the extent such expenses would otherwise constitute payment for the Work or Operating Expenses, such expenses (but not, for example, the Authority's attorneys' fees related to the release of any such mechanic's lien) shall be included as cost of the Work or Operating Expenses. The Authority shall have the right at all times to post and keep posted on the Premises any notices that the Authority reasonably deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens.

17.2. Encumbrances by Subtenant. Subtenant shall not, without the prior written consent of the Authority, create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset (an "**Encumbrance**") as security in any manner against the Premises or Authority's or Subtenant's interest under this Agreement. If the Authority consents to any such Encumbrance, it shall, in connection therewith, enter into an agreement with the holder of such Encumbrance that includes customary and reasonable subordination, non-disturbance and attornment provisions and customary and reasonable mortgagee protection provisions.

18. COMPLIANCE WITH LAWS

18.1. Compliance with Laws. In performing its obligations under this Agreement and in its use of the Premises, Subtenant shall at all times use and maintain the Premises in compliance with all applicable Laws, including any applicable prevailing wage laws and disability access laws; provided, however, Subtenant is not responsible (a) for the streets, roads, sidewalks and curbs contained in and around the Premises complying with any law or (b) for any tree trimming or brush clearance within the Premises contained on Yerba Buena Island mandated by the Fire Department. Without limiting the Authority's obligations under this Agreement, or its responsibility for failure to satisfy those obligations, no occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant the right to seek redress against the Authority for failing to comply with Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel the Authority to make repairs or improvements to comply with any Law. Nothing herein is intended to limit the Authority's responsibility for the consequences of its failure to comply with Laws or its obligations under this Agreement.

(a) Approved Expense. The costs of Subtenant's compliance with Section 18.1 shall be deemed an approved Operating Expense (except as expressly provided to the contrary in this Agreement).

(b) No Special Laws. Other than compliance with the FEMA-178 seismic standard as required in this Agreement (which the Parties acknowledge and agree is different than the seismic safety Laws applied by the City in the City), the Authority shall not directly or indirectly require Subtenant to comply with any Laws not otherwise applicable to comparable projects in the City. If the City imposes any Laws on the Project not otherwise applicable to comparable

projects in the City, the incremental costs of complying with such Laws shall be either an Operating Expense or an off-set against Base Rent.

(c) Streets and Trees. The Authority shall be responsible for (a) compliance with Laws regarding the maintenance and repair of streets, roads, sidewalks and curbs contained in and around the Premises and (b) maintaining, pruning and clearing of any trees and brush on Yerba Buena Island required by the Fire Department mandated tree trimming and brush clearance rules.

18.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of the Work and any other Alterations may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. To the extent such approvals or permits are required, Subtenant shall be solely responsible for obtaining any and all such regulatory approvals. Subtenant shall not seek any regulatory approval not contemplated in this Agreement without first obtaining the written consent of Authority. Subtenant shall bear all costs (which costs shall be deemed approved Operating Expenses) associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and, except as expressly set forth herein, shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be timely and promptly paid by Subtenant and shall be deemed Operating Expenses except to the extent such fines arise from Subtenant's negligence or willful misconduct. In any event, the Authority shall have no liability, monetary or otherwise, for any such fines or penalties.

(b) The Authority's Efforts. The Authority shall cooperate with Subtenant in Subtenant's efforts to obtain all required regulatory approvals and to expedite any required City approvals, including the issuance of all required certificates authorizing occupancy of Rentable Units. Notwithstanding the foregoing, Subtenant acknowledges and agrees that the Authority is entering into this Agreement in its capacity as a holder of leasehold and proprietary interests in the Premises and not as a regulatory agency with police powers. Nothing in this Agreement shall limit in any way Subtenant's obligation to obtain any required approvals from City departments, boards or commissions having jurisdiction over the Premises. This Section does not modify or limit Subtenant's obligation to comply with Section 18.1.

18.3. Compliance with Authority's Risk Management Requirements. Subtenant shall not take any action, and shall use commercially reasonable efforts to prevent residents from doing anything, that would create any unusual fire risk in or around the Premises. Subtenant shall use commercially reasonable efforts to protect the Authority from any potential premises liability with respect to any Work or Alteration performed by or for Subtenant. Subtenant shall comply with any and all requirements of any policies of insurance for the Premises.

19. **DAMAGE OR DESTRUCTION**

19.1. Damage or Destruction to the Premises Covered by Required Insurance. In the case of damage to or destruction of all or any portion of the Premises or damage to, destruction of (or other limitation on the use of) the roads or the bridge providing ingress and egress to the Premises that materially adversely affects the intended use of such Premises ("**Damage**") that is covered by the insurance required under Section 25 (the "**Required Insurance**"), except as provided in the next sentence, this Agreement shall continue and Subtenant shall use the proceeds of any such Required Insurance to, with reasonable promptness and diligence, restore, repair, replace or rebuild those portions of the Premises so damaged (the "**Damaged Premises**")

to comparable condition, quality and class as the Damaged Premises were in immediately before such casualty ("Repair"). Notwithstanding the foregoing, if (i) the Damage to the Premises or certain Rentable Units occurs during the last 2 years of the Term, (ii) certain of the Rentable Units have been Damaged to an extent such that such Rentable Units would need to be demolished and rebuilt, (iii) the Damage cannot reasonably be repaired within 12 months, or (iv) applicable Laws, such as the public trust for commerce, navigation and fisheries, prohibit the Repair, Subtenant may elect (by providing the Authority with written notice thereof within 30 days of the Damage) not to Repair such Damage, in which event this Agreement shall terminate with respect to such portion of the Damaged Premises or such Rentable Units and all applicable insurance proceeds shall be distributed as set forth in Section 19.1(a). In addition, the Authority may determine that any Damage shall not be Repaired for any reason, in which case the insurance proceeds shall also be distributed as set forth in Section 19.1(a).

(a) Insurance Distribution. If Subtenant is not required to Repair all or a portion of such Damaged Premises or the Authority determines not to authorize such Repair as set forth above, the proceeds of any Required Insurance allocable to such Damaged Premises shall be disbursed as follows: first, to Subtenant in an aggregate amount equal to any earned but undisbursed Management Fees and Marketing and Leasing Fees due to Subtenant, and then the remainder to the Authority.

19.2. Damage or Destruction to the Premises Not Covered by Required Insurance. In the case of Damage that is not covered by the Required Insurance, or to the extent that the costs to Repair the Damage would exceed the available insurance proceeds, Subtenant shall, to the extent funds are available in the Replacement Reserve Account, and subject to the Director's consent as provided in Section 11.3, use such funds to Repair any Damage. Notwithstanding the foregoing, nothing herein shall obligate Subtenant to expend any funds other than funds available in the Replacement Reserve Account or insurance proceeds to Repair Damage.

19.3. Rental Abatement. In the event of Damage, Subtenant's obligation to pay Base Rent to the Authority shall be proportionately reduced by an amount equal to the result obtained by multiplying the total amount of Base Rent then due and owing by a fraction, the denominator of which shall be the total number of Rentable Units and the numerator of which shall be the number of Rentable Units affected by the Damage (the "Abatement"); provided, however, the proceeds of any rental interruption insurance shall be treated as Gross Revenues hereunder. The Abatement shall continue until Subtenant completes the Repair (or the Damage of Access to the Premises is otherwise repaired). If Subtenant is not required to repair such Damage under Section 19.1 or 19.2 and this Agreement terminates with respect to such portion of the Premises or such affected Rentable Units, the Abatement shall continue for the remainder of the Term.

19.4. Waiver. The Parties understand and agree that the foregoing provisions of this Section 19 are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and the Authority and Subtenant each hereby waives and releases any right to terminate this Agreement in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

20. ASSIGNMENT AND SUBLETTING

20.1 Restriction on Assignment and Subletting. The services to be performed by the Subtenant under this Agreement are personal in character. Accordingly, except as provided in Section 17.2, Subtenant shall not assign this Agreement nor any duties or obligations hereunder, either voluntarily or by operation of law, or sublet any portion of the Premises (other than the Rental Agreements), unless the Authority first approves such assignment or subletting by written

instrument, which approval may be given or withheld in the Authority's sole and absolute discretion. Any purported assignment or sublet in violation of these restrictions shall be void.

21. DEFAULT

21.1 Events of Subtenant Default. Any of the following shall constitute an event of default by Subtenant under this Agreement ("**Subtenant Defaults**"):

(a) Rent and Payment Responsibilities. Any failure to pay Rent, the CAM Charges, the Utilities Charges, Taxes, or any other sums due and payable by Subtenant, where such failure continues for a period often (10) days following receipt by Subtenant of written notice from the Authority.

(b) Covenants Conditions and Representations. Any failure of Subtenant to perform or comply with any other covenant, condition or representation of Subtenant made under this Agreement, provided that Subtenant shall have a period of thirty (30) days from the date of receipt by Subtenant of written notice from the Authority specifying such failure within which to cure such failure or, if such failure is not reasonably capable of cure within such 30-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant takes action to cure such default within such period and thereafter diligently prosecutes the same to completion.

(c) Assignment; Insurance. Any attempt by Subtenant to assign any material rights or obligations under this Agreement without the Authority's consent as provided herein, or any failure by Subtenant to maintain any insurance required hereunder, which failure is not cured by Subtenant within seven (7) days of Subtenant's receipt of written notice of such failure.

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted (provided that with respect to any receiver appointed or any involuntary proceeding commenced against Subtenant, a Subtenant Default shall not be deemed to have occurred unless Subtenant has failed to have such receiver discharged or such proceeding dismissed within seventy-five (75) days).

21.2. Authority Default. Any failure of the Authority to perform or comply with any covenant, condition or representation of the Authority made under this Agreement shall be deemed a default by the Authority (an "**Authority Default**"), provided that the Authority shall have a period of thirty (30) days from the date of receipt of written notice from Subtenant of such failure within which to cure such Authority Default, or, if such Authority Default is not reasonably capable of cure within such 30-day period, the Authority shall have a reasonable period to complete such cure if the Authority takes action to cure such Authority Default within such period and thereafter diligently prosecutes the same to completion.

22. REMEDIES

22.1 Authority's Remedies for Subtenant's Defaults. Upon the occurrence and continuing of a Subtenant Default, the Authority shall have the following rights and remedies in addition to all other rights and remedies available to Authority at law or in equity:

(a) Terminate Agreement and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the

Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. The Authority's efforts to mitigate the damages caused by a Subtenant Default shall not waive any right that the Authority may have to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right, upon application by the Authority, to have a receiver appointed for Subtenant to take possession of the Premises and to apply any rentals collected from the Premises to the Rent owing by Subtenant hereunder and to exercise all other rights and remedies granted to Authority pursuant to this Agreement.

(c) Forfeiture. The right to cancel Subtenant's right to lease any portion of the Premises.

(d) Authority's Right to Cure Subtenant's Defaults. The Authority may (after the expiration of all applicable cure periods, except in the event of an emergency as reasonably determined by the Authority where prior notice by the Authority is impractical), remedy a Subtenant Default for Subtenant's account and at Subtenant's sole expense. Subtenant shall pay to the Authority, promptly upon demand, all sums reasonably expended by the Authority, or other reasonable costs, damages, expenses or liabilities incurred by the Authority, including reasonable attorneys' fees, in remedying or attempting to remedy such Subtenant Default. To the extent the sums reasonably expended by the Authority under this Section are for costs of the Work or for Operating Expenses (but not, for example, the Authority's reasonable attorney's fees), such amounts paid by Subtenant to the Authority shall be deemed approved costs of the Work or Operating Expenses, as applicable. Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement. Nothing herein shall imply any duty of the Authority to do any act that Subtenant is obligated to perform under this Agreement, and the Authority's cure or attempted cure of a Subtenant Default shall not constitute a waiver of such Subtenant Default or any rights or remedies of the Authority on account of such Subtenant Default.

22.2 Subtenant's Remedies for Authority Default. Upon the occurrence and continuing of an Authority Default, Subtenant shall have the right to termination this agreement or sue for specific performance. In addition, Subtenant may remedy such Authority Default for Authority's account and at Authority's sole expense, but only to the extent of funds then available in the General Operating Account and the Replacement Reserve Account. In no event shall the Authority be responsible for any costs above the amount in such accounts on the date that the Authority Default is determined (i.e., the date that any applicable cure period has expired). Nothing herein shall imply any duty of the Subtenant to do any act that Authority is obligated to perform under this Agreement, and the Subtenant's cure or attempted cure of a default shall not constitute a waiver of such Authority Default or any rights or remedies of the Subtenant on account of such Authority Default. In no event shall the Authority be liable for any damages relating to an Authority Default.

23. RELEASE AND WAIVER OF CLAIMS

23.1 Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Subtenant for, and, to the fullest extent permitted by law, Subtenant hereby waives all rights against the Authority and releases it from any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs (collectively, "**Losses**"), whether direct or indirect, known or unknown, foreseen and unforeseen, arising from or related to (i) the suitability of the Premises for Subtenant's intended

use or (ii) the physical or environmental condition of the Premises and any related Alterations or improvements, including, without limitation, any and all Losses arising from or related to an earthquake or subsidence.

(a) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any Losses of any nature whatsoever encompassed by the waivers and releases set forth in this Section. In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(b) Subtenant had made such investigation of the facts pertaining to these waivers and releases it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(c) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Authority for liabilities encompassed by the waivers and releases set forth in this Section. The Authority would not be willing to enter into this Agreement in the absence of the waivers and releases in this Section, and Subtenant expressly assumes the risk with respect thereto.

(d) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims encompassed by the waivers and releases set forth in this Section. Subtenant realizes and acknowledges that it has agreed upon this Agreement in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any expiration or termination of this Agreement.

(e) Without limiting its rights under Section 27, Subtenant acknowledges that it will not be a displaced person at the time this Agreement is terminated or expires by its own terms, and, without limiting the foregoing, Subtenant fully releases, waives and discharges forever any and all claims against, and covenants not to sue, the Authority or its Agents for claims for relocation benefits or assistance from the Authority under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.).

23.2 Covenant by the Authority Not to Sue. The Authority shall not directly or indirectly bring an action or proceeding, whether in a court of law or otherwise, against Subtenant with regard to the environmental conditions existing at the Base except to the extent that such condition is caused by a violation of Law by Subtenant or by Subtenant introducing Hazardous Material (as defined herein) to the Base.

24. INDEMNIFICATION

24:1 Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall indemnify, protect, reimburse, defend and hold harmless forever ("**Indemnify**" or "**Indemnity**" as the context requires) the Authority and the Authority's Agents from and against

any and all Losses caused by acts or omissions of Subtenant or Subtenant's Agents or Invitees with respect to the Premises, or relating to the rehabilitation, use or occupancy of the Premises, including, without limitation, any accident, injury or death to any of Subtenant's Agent's or Invitees occurring on or about the Premises, except to the extent that (i) such Indemnity is void or otherwise unenforceable under any applicable Laws, (ii) such Losses are caused by the Authority, or (iii) such Losses are included within the Section 330 Indemnity.

The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and the Authority's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it is obligated to defend the Authority from any claim which falls within this Indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is properly tendered to Subtenant by the Authority. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

24.2 Authority's Indemnity. Subject to the provisions of Section 22.2, the Authority, on behalf of itself and the Authority's Agents, shall Indemnify Subtenant and Subtenant's Agents from and against any and all Losses caused by the sole negligence or willful misconduct of the Authority or the Authority's Agents except to the extent that (i) such Indemnity is void or otherwise unenforceable under any applicable Laws, or (ii) such Losses are included within the Section 330 Indemnity.

The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Subtenant's costs of investigating any Loss. The Authority specifically acknowledges and agrees that it is obligated to defend Subtenant from any claim which falls within this Indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is properly tendered to the Authority by Subtenant. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

24.3 Master Landlord's Section 330 Environmental Indemnity. The Parties hereby acknowledge and agree that pursuant to Section 330 of Public Law 102-484, as amended, Master Landlord shall hold harmless, defend and indemnify (the "**Section 330 Indemnity**") the Authority and Subtenant from and against any suit, claim, demand, action, liability, judgment, cost or fee, arising out of any claim for personal injury or property damage (including death, illness, loss of or damage to property or economic loss) that results from, or is in any manner predicated upon, the release or threatened release of any hazardous substance, pollutant, contaminant, petroleum product, or petroleum derivative from or on the Premises as a result of Department of Defense activities at the Base, as set forth in the Master Lease. If Subtenant or the Authority incurs costs or other expenses due to Master Landlord's failure to satisfy its obligations under the Section 330 Indemnity, such costs or expenses shall automatically be deemed an Operating Expense and any subsequent recovery from the Master Landlord as a result of such failure shall be a Gross Revenue.

25. INSURANCE

25.1 Subtenant's Insurance. Subtenant shall procure and maintain throughout the Term for the mutual benefit of the Authority and Subtenant, and pay the cost thereof (as an approved Operating Expense, subject to the limits set forth in Section 12.1 and, if the limit is exceeded but not approved, such insurance need not be obtained by Subtenant), the following insurance:

(a) **Professional Liability Insurance.** Professional Liability insurance with limits not less than \$1,000,000 each claim and aggregate, including coverage for negligent acts, errors or

omissions arising out of professional services performed under this Agreement for architectural, engineering and geotechnical services, with any deductible not to exceed \$25,000 each claim.

(b) Property Insurance. Property insurance on an ISO "special form" (excluding earthquake and flood) with any exposures for reconstruction loss of rents up to 12 months included in the aggregate limit. The loss of rents coverage shall have a deductible of no more than \$5,000 per occurrence. The deductible will be no greater than \$50,000 per occurrence for property related losses only. Any vacancy clause will be waived or extended to no less than 180 days. The limit of coverage will be full replacement cost or a stop loss limit that covers at least 35% of the total insurable value of all covered Rentable Units.

(c) Environmental Pollution Insurance. Environmental Impairment Liability Insurance, with limits not less than \$5,000,000 each occurrence, including coverage for pollution or contamination, with any deductible not to exceed \$50,000 each occurrence.

(d) Commercial General Liability Insurance. Commercial General Liability Insurance shall be written on an occurrence and on a site-specific basis with coverage equal to or better than the ISO form CG-001. Primary limits shall be \$2,000,000 Combined Single Limit (CSL) per occurrence and \$5,000,000 aggregate. A deductible, per claim, of no greater than \$10,000 will be acceptable. Coverage should include within the policy limits: Personal Injury, Independent Contractors, Contractual liability, Products and Completed operations and a Severability of interests' clause. (Explosion, collapse and underground coverage shall not be excluded.) An excess policy increasing the total limit to \$10,000,000 will be required. Said excess policy may be an umbrella or a following form excess contract.

(e) Workers Compensation Insurance. Worker's compensation insurance with statutory limits as required by California law, and Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness.

(f) Automobile Liability Insurance. Automobile liability insurance with limits not less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses or causes to be used automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under ISO F01111 Number CA-00-01.

(g) Watercraft and Aircraft Insurance. Should Subtenant operate or cause to be operated any aircraft or watercraft in performance of its activities under this Agreement, insurance for such operations, in amount, form and with insurers reasonably satisfactory to the Authority, shall be obtained, paid for, and maintained by Subtenant throughout such operations.

(h) Employee Fidelity Bonds. Fidelity bond insurance coverage for on-site employees with a \$1,000,000 limit and \$1,000 deductible.

25.2. General Requirements. All insurance provided for under this Agreement shall be effected under valid enforceable policies issued by insurers with ratings comparable to A-, VIII or higher that are authorized to do business in the State of California.

(a) Should any of the required insurance be provided under a claims made form, Subtenant shall maintain such coverage continuously throughout the Term and, without lapse, for a period of five (5) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the Term give rise to claims made during the one year period after expiration or termination of this Agreement, such claims shall be covered by such claims made policies.

- (b) All insurance policies shall be endorsed to provide the following:
- (i) The Authority and the City shall be named as an additional named insured and loss payee on liability and property coverages as its interest may appear, if necessary. Subtenant shall be first named insured.
- (ii) Any other insurance carried by the Authority, which may be applicable, shall be deemed excess insurance and Subtenant's insurance shall be deemed primary for all purposes. Subtenant's policies shall also provide for severability of interest provisions.
- (iii) Thirty-day written notice of cancellation, non-renewal or material change in coverage shall be given to the Authority. Ten-day notice will be acceptable for notice of non-payment.
- (iv) Upon request, Subtenant shall deliver to the Authority certificates, binders, or other satisfactory evidence of the insurance coverages required under this Agreement.
- (c) On or before the Commencement Date, Subtenant shall deliver to Authority certificates of insurance and additional insured policy endorsements in form and with insurers satisfactory to Authority, evidencing the coverages required hereunder, and Subtenant shall provide Authority with certificates thereafter at least ten (10) days before the expiration dates of expiring policies. In the event Subtenant shall fail to procure such insurance, or deliver such certificates, Authority may, at its option, after providing five (5) days' prior written notice of the Authority's intention to do so, procure the same for the account of Subtenant and the cost thereof shall be paid to Authority within five (5) days after delivery to Subtenant of an invoice for such cost.

25.3. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease either the Authority's or Subtenant's indemnification obligations herein or any of the Authority's or Subtenant's other obligations or liabilities under this Agreement.

25.4. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

25.5. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, the Authority and Subtenant (each a "**Waiving Party**") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Agreement or is actually covered by insurance obtained by a Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

26. ACCESS BY AUTHORITY

26.1. Access to Premises by Authority.

(a) General Access. Without unreasonably interfering with the use and quiet enjoyment of the Premises by residential tenants, the Authority reserves for itself and the Authority's Agents, the right to enter the Premises and any portion thereof at all reasonable times for any purpose.

(b) Emergency Access. In the event of any emergency, as reasonably determined by the Authority, the Authority may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises so long as such alteration or removal is reasonably related to and necessary for remedying or properly responding to such emergency. The Authority shall have the right to use any and all means the Authority reasonably considers appropriate to gain access to any portion of the Premises in an emergency. In such case, to the maximum extent permitted by law, the Authority shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from all or part of the Premises.

(c) No Liability. The Authority shall not be liable in any manner, and Subtenant hereby waives any claims, for any Losses arising out of the Authority's entry onto the Premises, except for damage resulting from the negligence or willful misconduct of the Authority or the Authority's Agents, to the extent not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

26.2 Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

27. SURRENDER

27.1. Surrender of the Premises. Upon the expiration or earlier termination of this Agreement, Subtenant shall peaceably quit and surrender to the Authority the Premises together with the Work and Alterations in as good order and condition, subject to normal wear and tear and the provisions of Section 19 regarding casualty and taking into account the occupancy of the Rentable Unit, when surrendered. Normal wear and tear shall not include any damage or deterioration that would have been prevented had Subtenant properly performed its obligations under this Agreement. The Premises shall be surrendered free and clear of all liens and encumbrances arising out of Subtenant's acts other than liens and encumbrances approved by the Authority and rights of residential tenants in Rentable Units occupied at the end of the Term, if any. Immediately before the expiration or termination of this Agreement, Subtenant shall remove all of Subtenant's Personal Property as provided in this Agreement and repair any damage resulting from such removal. Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement. Any items of Subtenant's Personal Property remaining in the Premises after the expiration or termination of this Agreement may, at the Authority's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law. The Authority agrees to assume all Rental Agreements at the end of the Term, entered into by Subtenant in conformity with this Agreement. In no event is Subtenant required to evict a residential tenant who has executed a Rental Agreement in conformity with this Agreement at the end of the Term.

28. HAZARDOUS MATERIALS

28.1 No Hazardous Materials. Except as shown on Exhibit K or in a Work Plan or the Management Plan approved by the Authority, Subtenant covenants and agrees that Subtenant shall not, and shall take commercially reasonable efforts to ensure that Subtenant's Invitees do not, cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws (as defined herein) without the prior written approval of the Authority. The Authority may from time to time reasonably request Subtenant to provide adequate information for the Authority to determine whether any Hazardous Material permitted hereunder is being

handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises ("**Environmental Laws**"), and Subtenant shall promptly provide all such information reasonably requested. The Authority and the Authority's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). As used herein "**Hazardous Material**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (also commonly known as CERCLA), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code, any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code, and any asbestos and asbestos containing materials and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

28.2 No Releases. Subtenant shall not, and Subtenant shall use commercially reasonable efforts to ensure that Subtenant's Invitees do not, cause any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("**Release**") of Hazardous Material in, on, under or about the Premises. Subtenant shall immediately notify the Authority if and when Subtenant has actual knowledge that there has been a Release of Hazardous Material in, on or about the Premises and shall afford the Authority a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

28.3 Subtenant's Environmental Indemnity. Without limiting Subtenant's general Indemnity contained in Section 24.1, if Subtenant fails to perform any of its obligations contained in Section 28.1 or 28.2, Subtenant shall Indemnify the Authority and the Authority's Agents from and against any and all Losses arising under or related to such failure, including, without limitation Losses related to (i) enforcement, investigation, remediation or other governmental regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, (ii) claims by any third party against the Authority or the Authority's Agents relating to damage, contribution, cost recovery compensation, loss or injury, (iii) investigation and remediation costs, fines, natural resource damages, the loss or restriction of the use or any amenity of the Premises or the Base and reasonable attorneys' fees and consultants' fees and costs, and (iv) all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, and expressly excluding any Losses to the extent covered by the Section 330 Indemnity or caused by the Authority, its Agents or Invitees. All costs paid by Subtenant under this provision as a result of acts or omissions by Subtenant's Invitees shall be deemed an approved Operating Expense unless caused by Subtenant's gross negligence or willful misconduct.

28.4 No Hazardous Materials. The Authority covenants and agrees that the Authority and the Authority's Agents shall not, and shall take reasonable efforts to ensure that Authority's Invitees do not, cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws.

28.5 No Releases. The Authority and Authority's Agents shall not, and Authority shall use reasonable efforts to ensure that the Authority's Invitees do not, cause any Hazardous Material Release in, on, under or about the Premises. The Authority shall immediately notify the Subtenant if and when Authority has actual knowledge that there has been a Release of Hazardous Material on or about the Premises and shall afford the Subtenant a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

28.6 Authority's Environmental Indemnity. Without limiting the Authority's general Indemnity contained in Section 24.2, if the Authority fails to perform any of its obligations contained in Section 28.4 or 28.5, the Authority shall Indemnify the Subtenant and the Subtenant's Agents from and against any and all Losses arising under or related to such failure, including, without limitation Losses related to (i) enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, (ii) claims by any third party against the Subtenant or the Subtenant's Agents relating to damage, contribution, cost recovery compensation, loss or injury, (iii) investigation and remediation costs, fines, natural resource damages, the loss or restriction of the use or any amenity of the Premises and reasonable attorneys' fees and consultants' fees and costs, and (iv) all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Base to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, and expressly excluding any Losses to the extent covered by the Section 330 Indemnity or caused by the Subtenant, its Agents or Invitees.

28.7 Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant and the Authority, respectively, hereby acknowledge for itself and its respective Agents that, before the execution of this Agreement, it has received and reviewed the Environmental Baseline Survey and the FOSLs described in the Master Lease.

29. RELOCATION COSTS

Without limiting the Authority's Indemnity under Section 24.2, the Authority shall be responsible for and shall Indemnify Subtenant and its Agents for any and all relocation costs payable to residential tenants arising under federal and state relocation assistance laws, including, but not limited to, California Government Code Section 7260 et seq.

30. CONVENIENCE STORE AND OTHER SERVICES

30.1. Good Faith Efforts. The Authority shall use good faith efforts to work with THDI and Subtenant to maintain existing commercial services on the Base, including a child-care center, cafe, and convenience store.

31. TRANSPORTATION SERVICES

31.1 Bus Service. The Authority shall use good faith efforts to have the City maintain at least the current level of municipal transportation bus service to and from the Base.

31.2 Public Transit Information. Subtenant shall make good faith efforts to establish and maintain during the Term a program to encourage maximum use of mass or public transportation by Subtenant's Agents and Invitees, including residential tenants.

32. WORKFORCE HIRING GOALS

In performing its rights and responsibilities under this Agreement, Subtenant shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

32.1 Subtenant's Workforce Hiring Goals. Subtenant, in connection with the Work, shall use good faith efforts to meet the work force hiring goals set forth in Section 32.2 (the "Workforce Goals"). For purposes of this Section 32, Subtenant's good faith efforts ("**Good Faith Efforts**") shall mean the following:

- (a) Upon request, submitting a written plan describing how Subtenant intends to meet the Workforce Goals;
- (b) Listing jobs available on the Premises with the TIHDI Job Broker at least two weeks before advertising for applicants elsewhere to the extent practical, considering the nature of the job involved;
- (c) Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDI Job Broker if referred before the opening being otherwise filled;
- (d) Communicating with TIHDI about job openings by facsimile at the same time such job opening is communicated to any other agency or broker and providing information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;
- (e) Consulting with the TIHDI Job Broker once a month, as necessary, about how to meet Subtenant's Workforce Goals; and
- (f) Meeting and conferring with the TIHDI Job Broker monthly, if necessary, to discuss and attempt to resolve any problems with Subtenant meeting its Workforce Goals.
- (g) Upon request, working with the City's First Source Hiring Administration on new job opportunities and otherwise complying with the City's First Source Hiring Program as set forth in Administrative Code Chapter 83.

32.2 Workforce Hiring Goals.

- (a) **Construction Workforce.** Without obligation (other than as expressly set forth herein), Subtenant shall give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.
- (b) **Subcontracting.** Without obligation, Subtenant will consider subcontracting certain tasks to be performed by Subtenant under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDI organizations will be included for purposes of determining Subtenant's Good Faith Efforts to meet the Work Force Goals.
- (c) **Nonconstruction Workforce.** Without obligation, except as provided in this Section 32, the Subtenant shall use Good Faith Efforts to hire for nonconstruction work,
 - (i) twenty-five percent (25%) of its nonconstruction workforce from homeless or economically disadvantaged persons, at the time of hiring, and
 - (ii) fifty percent (50%) from San Francisco residents.

32.3. Hiring Plan. Upon request, Subtenant shall submit a hiring plan to the Authority to describe how Subtenant intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures, a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.

32.4. Reports. Upon the Authority's request, Subtenant shall prepare reports regarding the composition of Subtenant's work force reasonably satisfactory to the Authority.

32.5. Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section 32.7.

32.6. Implementation of Enforcement Procedure. The Enforcement Procedure, as provided in Section 32.7, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Subtenant's Good Faith Efforts. The Enforcement Procedure shall be implemented by the City department responsible for administering the City's workforce programs (the "**Workforce Office**"), which shall have the powers described below unless otherwise provided by law.

(a) All subcontracts related to the Agreement ("**Subcontracts**") shall incorporate the provisions of this Section 32 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Subtenant or its subcontractors. Subtenant shall require, by contract, that each subcontractor participate in Enforcement Procedure proceedings in which it may be identified, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Workforce Office.

32.7 Enforcement Procedure.

(a) Initiation and Process. If the Authority reasonably determines that Subtenant has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure, the Authority shall send a written Notice of Noncompliance to Subtenant describing the basis for its determination and suggesting a means to cure any deficiencies. If Subtenant does not, in the reasonable discretion of the Authority, cure the deficiency within thirty (30) days, the matter shall be submitted to the following Enforcement Procedure.

(i) Before the filing and service of a request to the Workforce Office (a "**Request**"), the parties to any dispute shall meet and confer in an attempt to resolve the dispute.

(ii) The Authority, Subtenant or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request and sending a copy to each involved entity including the Authority. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

(iii) Service on the Subtenant of the Request or any notice provided for by this Section 32 shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Subtenant shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.

(iv) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.

(v) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("**Temporary Relief**"). The Workforce Office shall determine whether the facts reasonably support the issuance of Temporary Relief.

(vi) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the Parties or ordered by the Workforce Office upon a showing of good cause; provided, that if the complaining party seeks Temporary Relief, the hearing on the motion shall be heard not later than ten (10) following the Request. The Workforce Office shall set the date, time and place for the Enforcement Procedure hearings. In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

(b) Workforce Office's Decision. The Workforce Office shall render a decision within 20 days of the date that the hearing; provided that where a temporary restraining order is sought, the Workforce Office shall render a decision not later than 24 hours after the hearing on the motion. The Workforce Office shall send the decision by certified or registered mail to the Authority, the Subtenant and the subcontractor, if any.

(i) The Workforce Office may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Subtenant, the Subtenant shall provide proof of service on the party as required by this Section. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy under Code of Civil Procedure §1281.2.

(ii) Except as otherwise provided in this Section 32, the Workforce Office shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the Parties.

(iii) The inquiry of the Workforce Office shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Workforce Office issued hereunder shall be final and binding upon the Authority, Subtenant, and subcontractors. The losing party shall pay the Workforce Office's fees and related costs of the Enforcement Procedure. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Workforce Office finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith.

(c) Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Workforce Office may impose only the remedies and sanctions set forth below and only against a non-compliant party:

(i) Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the failure to make Good Faith Efforts, and/or to require Subtenant and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Subtenant from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency.

(ii) Require the Subtenant or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Subtenant of future Good Faith Efforts to comply with the Workforce Goals.

(iii) Direct the Subtenant or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portions thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.

(iv) If the Subtenant or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed \$5,000 or 10 percent of the total monetary consideration contemplated by the contract at issue, whichever is less, for such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Subtenant or subcontractor may impose penalties for subsequent willful breaches whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

(v) Direct that the Subtenant or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Subtenant or Subcontractor.

(vi) Issue such other relief deemed necessary to ensure that the Good Faith Efforts are made prospectively.

(d) Delays Due to Enforcement. If Subtenant does not timely perform its obligations under this Agreement with the Authority because of a Workforce Office's order against a party other than the Subtenant, or against the Subtenant so long as Subtenant has made reasonable efforts to comply with the Hiring Plan, such order shall be deemed a Force Majeure Event, and all times shall be extended as provided in this Agreement for Force Majeure Events; provided Subtenant makes good faith efforts to minimize any delays.

(e) Release. The Subtenant and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 32.

(f) California Law Applies. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Proceedings.

32.8 Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements, Subtenant will take primary responsibility for integrating the requirements of Subtenant's Workforce Goals with any such collective bargaining agreements. As necessary, Subtenant will attempt to negotiate equivalent first source hiring obligations with relevant unions.

32.9 Local Hire. Subtenant agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

33 GENERAL PROVISIONS

33.1 Notices. Except as otherwise expressly provided in this Agreement, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, with postage prepaid as follows:

Notice Address of Authority: Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA
Attn: Director
Fax No.: 415-274-0299

with a copy to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: RE/Finance
Fax No.: (415) 554-4755

Notice Address of Subtenant: The John Stewart Company
Attn: Jack D. Gardner, President and CEO
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Fax No.: (415) 614-9175

With a Copy to: Orrick, Herrington & Sutcliffe, LLP
Attn: Justin Cooper, Esq.
The Orrick Building
405 Howard Street
San Francisco, CA
Fax No.: (415) 773-5759

Notice Address of Master Landlord: United States Navy
BRAC Program Management Office West
ATTN: Treasure Island Real Estate
1455 Frazee Road, Suite 900
San Diego, CA 92108

Any Party hereunder may designate a new address for notice hereunder by notice given to the other in accordance with the provisions of this Section at least five (5) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days

after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the Parties, copies of notices may also be given by telefacsimile; however, neither party may give official or binding notice by facsimile. Subtenant shall promptly provide City with copies of any and all notices received regarding any alleged violation of laws or insurance requirements or any alleged unsafe condition or practice.

33.2 No Implied Waiver. No failure by the Authority to insist upon the strict performance of any obligation of Subtenant under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Rent during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by any Agent of the Authority, shall constitute a waiver of such breach or of the Authority's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Agreement. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of the Authority given in any instance under the terms of this Agreement shall not relieve Subtenant of any obligation to secure the consent of the Authority in any other or future instance under this Agreement. The provisions of this Section 33.2 shall be mutual to the extent applicable.

33.3 Approvals and Consents. Unless otherwise expressly provided in this Agreement, whenever approval, consent or satisfaction is required of the Authority or Subtenant under this Agreement, it shall not be unreasonably withheld, conditioned or delayed. The reasons for any disapproval of consent hereunder shall be stated in reasonable detail in writing. Approval by a Party of any act or request by the other Party shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests. Whenever approval or consent of the Authority is required under this Agreement, such approval shall mean the approval of the Director. If the Director determines that action or approval is required by the Authority's Commission, the Director shall submit such matter to the Authority's Commission at the next regularly-scheduled meeting for which an agenda has not yet been finalized and for which the Authority can prepare and submit a staff report in keeping with the Authority's standard practices.

33.3 Amendments. The terms of this Agreement may not be changed, waived, or terminated except by a written instrument signed by the Parties.

33.4 Due Authorization and Execution. The person signing for the Authority represents and warrants that the Authority is a non-profit, public benefit corporation, and an instrumentality of the State of California and the City and County of San Francisco, and that he or she has the right and authority to execute this Agreement. If Subtenant signs as a corporation, a partnership, a limited liability company, or similar entity, Subtenant hereby covenants and warrants that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has the full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon the Authority's request, Subtenant shall provide Authority with evidence reasonably satisfactory to the Authority confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant and the Authority each represents and warrants to the other that it has full power to make the waivers and releases, indemnities and the

disclosure set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into an Agreement containing those provisions and their legal effect.

33.5 Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant or one entity that makes up Subtenant, the obligations and liabilities under this Agreement imposed on Subtenant shall be joint and several.

33.6 Interpretation of Agreement. The recitals and the captions preceding the articles and sections of this Agreement and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting. Provisions in this Agreement relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Agreement, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

33.7 Successors and Assigns. Subject to the provisions of Section 20, the terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the Authority and Subtenant and, except as otherwise provided herein, their representatives and successors and assigns.

33.8 Brokers. Neither party has had any contact nor dealings regarding the leasing of the Premises or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Agreement contemplated herein. If any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the expiration or termination of this Agreement.

33.9 Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by Law.

33.10 Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of the State of California.

33.11 Entire Agreement. This Agreement, including the exhibits, contain the entire agreement between the Parties and supersede all prior or written or oral negotiations, discussions, understandings and agreements. The execution of this Agreement by the Authority shall be deemed to constitute approval of each exhibit hereto. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal

proceeding involving this Agreement. Subtenant and the Authority hereby acknowledge that neither the other nor the other's Agents have made any representations or warranties with respect to the Premises or this Agreement except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by either Subtenant or the Authority by implication or otherwise unless expressly set forth herein.

33.12 Attorneys' Fees. If either the Authority or Subtenant fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all reasonable costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of the Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Authority.

33.13 Time of Essence. Time is of the essence with respect to all provisions of this Agreement in which a definite time for performance is specified.

33.14 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Agreement shall be cumulative, except as may otherwise be provided herein.

33.15 Survival of Indemnities. Termination of this Agreement shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Agreement, nor shall it affect any provision of this Agreement that expressly states it shall survive termination hereof.

33.16 Relationship of Parties. The Authority is not, and none of the provisions in this Agreement shall be deemed to render the Authority, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any third party, including residential tenants and TIHDI, unless otherwise expressly provided.

33.17 Non-Liability of Parties' Officials and Employees. No elective or appointive board, commission, member, officer or employee of either of the Parties or their Agents shall be personally liable in the event of any default, breach or for any amount which may become due, or for any obligation under this Agreement.

33.18 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

34. SPECIAL PROVISIONS

34.1. Non-Discrimination in Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Agreement, Subtenant agrees not to discriminate against any employee, any City employee working with Subtenant, or applicant for employment with Subtenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender

identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subleases and Other Subcontracts. Subtenant shall include in all subleases and other subcontracts (not including the Rental Agreements) relating to the Premises a non-discrimination clause applicable to such Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) CMD Form. As a condition to this Agreement, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure approval of the form. Subtenant hereby represents that prior to execution of this Agreement, (i) Subtenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) CMD approved such form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Subtenant and/or deducted from any payments due Subtenant.

34.2 MacBride Principles -Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

34.3 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San

Francisco Environment Code, Subtenant shall not provide any items to the Work or Alterations, or otherwise in the performance of this Agreement, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant may be liable for liquidated damages as set forth in Chapter 8.

34.4 Conflicts of Interest. Through its execution of this Agreement, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the term of this Agreement Subtenant shall immediately notify the City.

34.5 Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Authority, including the Premises. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communication the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

34.6 Prohibition on Alcohol Advertising. Subtenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises, except in areas that are operated as a restaurant, a concert or sports venue, or places where the sale, production or consumption of alcohol is permitted. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (a) communicate the health hazards of alcoholic beverages, (b) encourage people not to drink alcohol or to stop drinking alcohol, or (c) provide or publicize drug or alcohol treatment or rehabilitation services.

34.7 Holding Over. If Subtenant retains possession of any portion of the Premises after the expiration or the earlier termination of this Agreement, then unless the Authority expressly agrees to the holdover in writing, Subtenant shall pay the Authority, on a month-to-month basis Base Rent equal to one hundred and fifty percent (150%) of the latest Base Rent payable by Subtenant hereunder prior to such expiration, together with an amount estimated by the Authority for any additional charges payable under this Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Any failure by Subtenant to surrender, discontinue using, or, if required by the Authority, any failure to remove any property or equipment following written demand for the same by the Authority, shall constitute continuing possession for purposes hereof. Subtenant acknowledges that the foregoing provisions shall not serve as permission for the Subtenant to hold over, nor serve to extend the term of this Agreement beyond the end on the term hereof. Any holding over without the Authority's consent shall constitute a default by Subtenant and entitle the Authority to exercise any or all of its remedies as provided herein, notwithstanding that the Authority may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of this Agreement. Any holding over after the expiration of the Term with the express consent of the Authority shall be construed to automatically extend the Term of this

Agreement on a month-to-month basis at a Base Rent equal to the latest Base Rent payable by Subtenant hereunder prior to such expiration, together with an amount estimated by the Authority for any additional monthly charges payable under this Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement.

34.8 Prevailing Wages. Subtenant agrees that any person performing labor in the erection, construction, renovation, alteration, improvement, demolition, excavation, installation or repair (not including maintenance) of any building, structure, improvement, infrastructure, road, park, utility or similar facility on the Premises, provided by or through Subtenant under this Agreement, shall be paid not less than the highest prevailing rate of wages, and shall be subject to hours and days of labor requirements that are established under San Francisco Administrative Code Section 6.22(E) and 6.22(F). Subtenant shall require that all contracts and subcontracts for such work contain the requirements of San Francisco Administrative Code Sections 6.22(E), subsections (4) – (8), and 6.22(F), and shall reference the Authority's rights as set forth in this Section, including but not limited to the Authority's (and Subtenant's) right to withhold funds and impose penalties against any contractor or subcontractor that fails to pay prevailing wages as required in this Section. Subtenant shall also require any contractor to electronically submit, for itself and for all subcontractors, certified payroll reports and statements of compliance in the manner specified by the Authority for all persons performing labor as set forth above. Subtenant shall have all rights and remedies, including the right to withhold payments or assess penalties, against any contractor and subcontractor as set forth in Section 6.22(E) (8) for failure to pay prevailing wages as set forth in this Section. In addition, Sublandlord and Subtenant shall jointly collaborate on any such remedial action to ensure compliance with this Section, including the assessment of penalties and, when warranted, the termination of any contractor or subcontractor.

34.9 Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (a) prohibit the use of certain pesticides on City or Authority property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (c) require Subtenant to submit to the Authority an integrated pest management ("IPM") plan, if applicable, that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Agreement, (ii) describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (iii) identifies, by name, title, address and telephone number, an individual to act as the Subtenant's primary IPM contact person. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing herein shall prevent Subtenant from seeking a determination from the Commission on the Environment that it is exempt from complying with certain portions of the Pesticide Ordinance.

34.10 Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between the Authority and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

34.11 Drug Free Workplace. Subtenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City and Authority premises. Subtenant agrees that any violation of this prohibition by Subtenant, its Agents or assigns shall be deemed a material breach of this Agreement.

34.12 Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Agreement. The Authority shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving the Authority's written notice of a breach of this Agreement for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the Authority shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the Authority.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Authority may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that the Authority has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City or the Authority with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to the Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide the Authority with access to records pertaining to compliance with HCAO after receiving a written request from the Authority to do so and being provided at least five (5) business days to respond.

(j) the Authority may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with the Authority when it conducts such audits.

34.13 Notification of Limitations on Contributions. Through its execution of this Agreement, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or the Authority for the selling or leasing of any land or building to or from the City or the Authority whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each Subtenant; each member of Subtenant's board of directors, and Subtenant's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Subtenant further agrees to provide to City the name of each person, entity or committee described above.

34.14 Preservative-Treated Wood Containing Arsenic. Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

34.15 Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

34.16 Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

34.17 Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

[Remainder of page left intentionally blank]

Authority and Subtenant have executed this Agreement as of the date first written above.

DATED:

SUBTENANT:

THE JOHN STEWART COMPANY, a California
Corporation

By: _____
Its: _____

AUTHORITY:

THE TREASURE ISLAND DEVELOPMENT, a
California nonprofit public benefit corporation

By: _____
Its: _____

Approved as to Form:

DENNIS J. HERRERA, City Attorney

Charles Sullivan, Deputy City Attorney

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT A

MASTER LEASE



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT B

DESCRIPTION OF PREMISES, MAP AND LIST OF RENTABLE UNITS

List of Rentable Units –
Treasure Island & Yerba Buena Island
Market-Rate Housing

20 Building on Yerba Buena Island; 20 buildings; 80 units total.

60 Yerba Buena Road
66 Yerba Buena Road
105 Forest Road
106 Forest Road
109 Forest Road
111 Forest Road
113 Forest Road
115 Forest Road
300 Nimitz Drive
301 Macalla Drive
302 Nimitz Drive
303 Nimitz Drive
304 Nimitz Drive
324 Yerba Buena Road
325 Yerba Buena Road
326 Yerba Buena Road
327 Yerba Buena Road
328 Yerba Buena Road
329 Yerba Buena Road
331 Yerba Buena Road

1100s on Treasure Island: 22 Buildings; 126 units total.

1108 Halyburton Court
1109 Keppler Court
1111 Keppler Court
1112 Hutchins Court
1113 Keppler Court
1114 Hutchins Court
1115 Keppler Court
1118 Hutchins Court
1120 Reeves Court
1122 Reeves Court
1124 Reeves Court
1128 Reeves Court
1129 Mason Court

1131 Mason Court
1133 Mason Court
1135 Mason Court
1137 Mason Court
1141 Ozbourn Court
1143 Ozbourn Court
1145 Ozbourn Court
1147 Ozbourn Court
1149 Ozbourn Court

1200s on Treasure Island: 30 Buildings; 178 units total.

1201 Bayside Drive
1202 Mariner Drive
1203 Bayside Drive
1204 Mariner Drive
1205 Bayside Drive
1208 Mariner Drive
1210 Mariner Drive
1212 Mariner Drive
1420 Gateview Court (Previously 1214 Gateview Court)
1215 Bayside Drive
1217 Mariner Drive
1440 Gateview Court (Previously 1218 Gateview Court)
1219 Mariner Drive
1221 Mariner Drive
1224 Bayside Drive
1227 Northpoint Drive
1390 Gateview Court (Previously 1228 Gateview Court)
1232 Northpoint Drive
1234 Northpoint Drive
1237 Northpoint Drive
1238 Northpoint Drive
1239 Northpoint Drive
1240 Northpoint Drive
1241 Northpoint Drive
1242 Northpoint Drive
1245 Northpoint Drive
1247 Exposition Drive
1249 Exposition Drive
1250 Exposition Drive
1253 Exposition Drive

1300s on Treasure Island: 17 Buildings; 94 units total.

1301 Gateview Avenue
905 Avenue B (Previously 1302 Avenue B)
1303 Gateview Avenue
901 Avenue B (Previously 1304 Avenue B)
1305 Gateview Avenue
1306 Gateview Avenue
1307 Gateview Avenue
1308 Gateview Avenue
1309 Gateview Avenue
1310 Gateview Avenue
1311 Gateview Avenue
1312 Gateview Avenue
1313 Gateview Avenue
1314 Gateview Avenue
1315 Gateview Avenue
1316 Gateview Avenue
1325 Westside Drive

1400s on Treasure Island: 13 Buildings; 78 Units total.

1400 Sturgeon Street
1402 Sturgeon Street
1404 Sturgeon Street
1418 Striped Bass Street
1420 Striped Bass Street
1430 Halibut Court
1431 Halibut Court
1436 Chinook Court
1437 Chinook Court
1438 Chinook Court
1439 Chinook Court
1444 Croaker Court
1449 Croaker Court

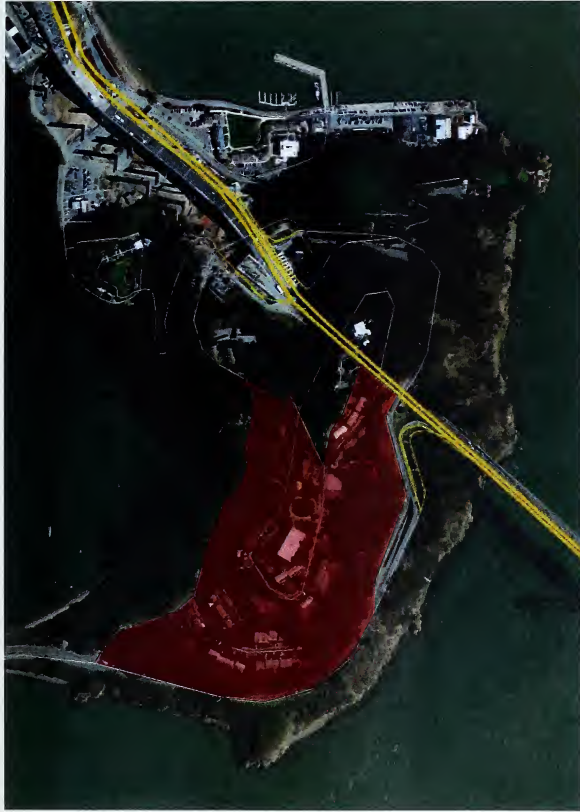


Exhibit B - Map
Treasure Island
Residential Neighborhood





Exhibit B - Map
Yerba Buena Island
Residential
Neighborhood





SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT C

TRANSITION HOUSING RULES AND REGULATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY

TRANSITION HOUSING RULES AND REGULATIONS

FOR THE VILLAGES AT TREASURE ISLAND

TREASURE ISLAND DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

First Modification - February 28, 2013

TRANSITION HOUSING RULES AND REGULATIONS
FOR THE VILLAGES AT TREASURE ISLAND

TABLE OF CONTENTS

I.	GENERAL	1
	A. Background	1
	B. Purpose.....	3
	C. Limits of Applicability	3
	D. Overview and Program Framework	4
	E. Effective Date	5
II.	ELIGIBILITY	5
	A. Determination of Household Eligibility for Transition Benefits	5
	B. Ineligible Residents	7
III.	TRANSITION NOTICES AND PROCEDURES	7
	A. First Notice to Move.....	7
	B. Interview Household and Offer Advisory Services	8
	C. Second Notice to Move.....	9
	D. Selection of a Transition Benefit.....	9
	E. Complete the Move	10
	F. Early Transition Benefits	11
IV.	INTERIM MOVES	11
	A. Required Interim Moves	11
	B. Benefits for Interim Moves	11
	C. Option to Elect In-Lieu Payment.....	12
V.	DESCRIPTION OF TRANSITION UNIT OPTION	12
	A. Transition Unit Option	12
	B. Standards Applicable to Transition Units	13
	C. Required Information for Option	14
	D. Calculation of Household Income	15
	E. Calculation of Base Monthly Rental Cost.....	15
	F. Lease Terms for Transition Unit; Occupancy Verification	16
VI.	DESCRIPTION OF IN-LIEU PAYMENT OPTION	17
	A. In-Lieu Payment Option.....	17
VII.	DESCRIPTION OF UNIT PURCHASE ASSISTANCE OPTION	18

A.	Down Payment Assistance.....	18
VIII.	ADDITIONAL ASSISTANCE	19
A.	Premarketing Assistance	19
B.	Moving Assistance.....	21
IX.	IMPLEMENTATION OF TRANSITION HOUSING RULES AND REGULATIONS.....	23
A.	Administration	23
B.	Household Records	23
X.	CLAIM AND PAYMENT PROCEDURES; TERMINATION OF TRANSITION HOUSING ASSISTANCE	24
A.	Filing Claims; Tax Forms.....	24
B.	Treatment of Dependents	24
C.	Adjustments for Multiple Claims; Nontransferability	25
D.	Termination of TIDA's Obligations	25
XI.	GRIEVANCE PROCEDURES.....	26
A.	Administrative Remedies	26
XII.	PROPERTY MANAGEMENT PRACTICES	28
A.	Eviction	28
B.	Post-DDA Tenants	29
XIII.	INTERPRETATION	29
A.	Rules of Interpretation and Severability	29

EXHIBITS AND APPENDICES

Appendix 1:	Sample Tenant Income Certification Form
Appendix 2:	2010 In-Lieu Payment Schedule, Based on the 2010 San Francisco Rent Board Schedule for Relocation Payments for No Fault Evictions, adjusted for up to four adults
Appendix 3:	Sample Moving Expense Allowance Schedule
Appendix 4:	Definitions

TRANSITION HOUSING RULES AND REGULATIONS FOR THE VILLAGES AT TREASURE ISLAND

I. GENERAL

A. Background

These Transition Housing Rules and Regulations for The Villages at Treasure Island ("**Transition Housing Rules and Regulations**") reflect the decision of the Treasure Island Development Authority Board of Directors ("**TIDA Board**") to implement certain recommendations made by the Board of Supervisors of the City and County of San Francisco ("**City**") in Resolution No. 699-06 (the "**Term Sheet Resolution**"). Definitions used in these Transition Housing Rules and Regulations are provided in **Appendix 4** for reference.

During World War II, Naval Station Treasure Island ("**NSTI**") was used as a center for receiving, training, and dispatching service personnel.

After the war, NSTI was used primarily as a naval training and administrative center. In 1993, Congress and the President selected NSTI for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510, 10 U.S.C. § 2687 and its subsequent amendments ("**BRAC**"). The Department of Defense subsequently designated the City as the Local Reuse Authority responsible for the conversion of NSTI to civilian use under the federal disposition process.

The City opted to negotiate for the transfer of NSTI under the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Pub. Law 103-421) (the "**Base Redevelopment Act**") amending BRAC, under which certain portions of NSTI would be set aside for homeless assistance programs in a manner that balances the economic development needs of the redevelopment process. A consortium of nonprofit organizations is providing a variety of services to the formerly homeless (currently, Catholic Charities, Community Housing Partnership, Rubicon Programs, Swords for Ploughshares, and Walden House), organized as the Treasure Island Homeless Development Initiative ("**TIHDI**"), to coordinate the homeless assistance programs to be provided under the Base Redevelopment Act.

In anticipation of base closure and following a public planning process, the Mayor, the Board of Supervisors, and the Planning Commission endorsed a Draft Base Reuse Plan for NSTI in 1996 outlining opportunities, constraints, policy goals, and recommendations for the redevelopment of NSTI. The City entered into an agreement with TIHDI in 1996 to develop and implement the homeless component under the Base Reuse Plan, which includes the right to temporary use of former military housing at NSTI and permanent housing through the base redevelopment process. The City formed Treasure Island Development Authority ("**TIDA**") as a redevelopment agency under California redevelopment law and designated TIDA as the City's

Local Reuse Authority for NSTI as authorized under the Treasure Island Conversion Act of 1997 (Assembly Bill No. 699, Stats. 1997, ch. 898).

TIDA initiated formal negotiations with the Navy in 1997, the same year the Navy formally closed base operations at NSTI. Also in 1997, the Navy contracted with the City (and subsequently, TIDA) to manage the property pending negotiations for its transfer and redevelopment. As part of managing NSTI on behalf of the Navy, TIDA began subleasing at market rates a portion of the former military housing now known as The Villages at Treasure Island ("**The Villages**") through a master lease with The John Stewart Company, and directly leasing space to a variety of commercial tenants. The master leases, the Residential Leases for Villages units, and commercial leases are interim pending the Navy's transfer of NSTI to TIDA for redevelopment and reuse.

TIDA selected Treasure Island Community Development, LLC ("**TICD**") in 2003 for exclusive negotiations for the master redevelopment of NSTI. The Board of Supervisors adopted the Term Sheet Resolution in 2006, endorsing the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (as updated and endorsed by the TIDA Board of Directors and the Board of Supervisors in 2010, the "**Development Plan**"), conditioned on completion of environmental review under the California Environmental Quality Act ("**CEQA**"), an extensive community review process, and endorsement by the Treasure Island/Yerba Buena Island Citizen's Advisory Board and the TIDA Board. The Development Plan will serve as the basis for a Development and Disposition Agreement between TIDA and TICD (as amended, the "**DDA**"), which will govern their respective rights and obligations for the redevelopment of certain portions of NSTI if approved by the TIDA Board and the Board of Supervisors after completion of CEQA review. In the Term Sheet Resolution, the Board of Supervisors recommended that the TIDA Board create a transition program setting forth terms by which existing residents of NSTI could have the opportunity to rent at reduced rents or buy newly-constructed units on Treasure Island.

Consistent with Assembly Bill No. 699, the Development Plan specifies that all of the former military housing on the NSTI (except certain historic buildings) eventually will be demolished. As outlined in the Development Plan, TIDA and TICD intend to phase redevelopment so that new housing can be built on NSTI before demolishing most of the existing residential structures as follows.

- Redevelopment of Yerba Buena Island is planned as part of the first phase of the redevelopment project, requiring demolition of existing Yerba Buena Island housing to be among TICD's first development activities. Transitioning Households on Yerba Buena Island affected by the early phases of redevelopment will be offered Existing Units on Treasure Island through Interim Moves.
- Demolition of the housing on Treasure Island is proposed to occur in the later phases of the redevelopment project. But some Transitioning Households may be asked to make Long-Term Moves in earlier phases as new housing becomes available for occupancy.

B. Purpose

These Transition Housing Rules and Regulations:

- are designed to ensure that eligible Villages Households who satisfy all qualifications of Transitioning Households under **Section II.A** (Determination of Household Eligibility for Transition Benefits) receive housing opportunities consistent with the Term Sheet Resolution;

- describe benefits below (“**Transition Benefits**”) that are available only to Transitioning Households;
- specify the eligibility criteria for Transitioning Households to receive Transition Benefits; and
- outline the procedures by which Transitioning Households will be offered Transition Benefits, including the opportunity to occupy new housing to be built on TI.

C. Limits of Applicability

The Transition Benefits under these Transition Rules and Regulations:

- apply only to Transitioning Households required to move to accommodate redevelopment of NSTI in accordance with the DDA;
- do not apply if TIDA must relocate Villages and TIHDI residents due to disaster or other event affecting living conditions on NSTI, except as specifically set forth herein; and
- do not apply to:
 - Villages Households that do not satisfy all qualifications of Transitioning Households under **Section II.A** (Determination of Household Eligibility for Transition Benefits); or
 - residents in housing managed by TIHDI member organizations, who will have the opportunity to move to new supportive housing that TIHDI will develop under the proposed Amended and Restated Base Closure Homeless Assistance Agreement; or
 - TIDA’s commercial tenants.

D. Overview and Program Framework

Two types of moves affecting Transitioning Households are anticipated as NSTI is redeveloped:

- **Interim Moves**, in which a Transitioning Household moves from one Existing Unit in The Villages to another Villages Existing Unit on Treasure Island following receipt of a Notice to Move. An example of this would be a move from an Existing Unit in an area proposed for redevelopment in an early phase to an Existing Unit on Treasure Island. *Most Transitioning Households will not be asked to make an Interim Move.*
- **Long-Term Moves**, in which a Transitioning Household moves from one of the Existing Units to a newly-constructed Dwelling on Treasure Island. All Transitioning Households (including those that previously made an Interim Move) will have the opportunity to make this move.

Key elements of these Transition Housing Rules and Regulations are:

- All Transitioning Households that receive a Notice to Move for either an Interim Move or a Long-Term Move will be eligible for Transition Benefits under these Transition Housing Rules and Regulations.
- NSTI residents who move off-Island before they receive a Notice to Move and an offer of Transition Benefits are not Transitioning Households and will not be eligible for Transition Benefits.
- All Transitioning Households will have the opportunity to remain on Treasure Island. No eligible Transitioning Household will be required to move before receiving an offer of Transition Benefits.
- Transitioning Households will have an opportunity to select one of the three Transition Benefit Options described in these Transition Housing Rules and Regulations:
 - the Transition Unit Option to move into rental housing on Treasure Island (See **Article V** (Description of Transition Unit Option));
 - the In-Lieu Payment Option for a lump sum payment upon moving off-Island (See **Article VI** (Description of In-Lieu Payment Option)); or
 - the Unit Purchase Assistance Option for down payment assistance in the purchase of a newly-constructed Dwelling on NSTI (See **Article VII** (Description of Unit Purchase Assistance Option)).

- Moving assistance will be provided to Transitioning Households that:
 - make Interim Moves to other Existing Units on Treasure Island; or
 - select the Transition Unit Option and make Long-Term Moves from their Existing Units to new Transition Units.
- A Premarketing Window to purchase newly-constructed Dwellings on NSTI will be available to:
 - all Transitioning Households in Existing Units before they have selected a Transition Benefit; and
 - Post-Transition Tenants that selected the In-Lieu Payment Option and received an In-Lieu Payment.
- Any resident of The Villages who moves onto NSTI after the DDA Effective Date will be a Post-DDA Tenant under these Transition Housing Rules and Regulations. Post-DDA Tenants who by definition do not qualify for an exception under **Section II.A.1** (Defined Terms for Determining Eligibility) are ineligible for Transition Benefits, but will be offered transition advisory services when required to move.

E. Effective Date

These Transition Housing Rules and Regulations will be effective on the date the DDA becomes effective (the “**DDA Effective Date**”), if the DDA is approved by the TIDA Board and the Board of Supervisors after completion of CEQA review.

II. ELIGIBILITY

A. Determination of Household Eligibility for Transition Benefits

The first step in determining whether a Villages Household is eligible for Transition Benefits is determining the status of the Household, based on the criteria below.

Only Transitioning Households are eligible for Transition Benefits. Transition Benefits are offered to each Transitioning Household as a Household and not to individual members of the Household.

1. Defined Terms for Determining Eligibility. TIDA will determine the members of a Transitioning Household based on the following definitions:

a. “**Existing Unit**” means a Dwelling located on NSTI that is occupied by a Transitioning Household as its primary Dwelling before receipt of a First Notice to Move or an Interim Notice to Move.

b. **“Good Standing”** means that TIDA does not have grounds for eviction as described in **Section XII.A (Eviction)**.

c. **“Household”** means an individual, or two or more individuals, related or unrelated, who live together in an Existing Unit as their primary Dwelling, or one or more families occupying a single Existing Unit as their primary Dwelling, including: (i) all adult Household members who are named in the Residential Lease; (ii) minor children in the Household; and (iii) the spouse or registered domestic partner of a Household member. Under these Transition Housing Rules and Regulations, all occupants of a single Existing Unit constitute a single Household, and a Household may include both Post-DDA Tenants and members of a Transitioning Household.

d. **“Post-DDA Tenant”** means a resident who moves onto NSTI after the DDA Effective Date, except as follows: (i) a spouse or registered domestic partner of a member of a Transitioning Household; (ii) a minor child of a member of a Transitioning Household; and (iii) a live-in caregiver for a member of a Transitioning Household who has been approved by TIDA or its agent to reside in the Existing Unit. Persons in categories (i) and (ii) above will only be considered a member of a Transitioning Household if the Household notified TIDA in writing of the new Household member, and requested that the Person's name be added to the Residential Lease at the time that the Household member joined the Household, or, if that Person became a member of the Household after TIDA's most recent notice of annual change in base rent under the Residential Lease.

e. **“Residential Lease”** means the lease agreement, including any addenda, under which a Transitioning Household or a Post-DDA Tenant lawfully occupies an Existing Unit, or under which an employer provides employee housing for employees working on NSTI.

f. **“Transitioning Household”** means a Villages Household consisting of residents who: (i) lawfully occupied an Existing Unit in The Villages as its primary Dwelling on the DDA Effective Date as evidenced by each adult resident's signature on the Residential Lease and each minor child identified as an occupant in the Residential Lease; (ii) continue to live in an Existing Unit until the Household receives a First Notice to Move for a Long-Term Move or accepts an In-Lieu Payment or Down Payment Assistance; and (iii) remain in Good Standing under its Residential Lease until the Household receives a First Notice to Move for a Long Term Move or accepts an In-Lieu Payment or Down Payment Assistance. A Transitioning Household specifically excludes the following: (A) any Person or Household in Unlawful Occupancy of the Existing Unit; (B) any Post-DDA Tenant in the Household; (C) any Person who occupies an Existing Unit under an arrangement with a business entity that has entered into a Residential Lease with TIDA; and (D) any Person who occupies the Existing Unit solely for the purpose of obtaining Transition Benefits.

g. **“Unlawful Occupancy”** means: (i) a Person or Household has been ordered to move by a valid court order; (ii) the Person's or Household's tenancy has been lawfully terminated, if the termination was not undertaken for the purpose of evading the obligations of these Transition Housing Rules and Regulations; or (iii) a Person is not listed on

the Residential Lease, except for a: (x) spouse or registered domestic partner of a member of a Transitioning Household; (y) minor child of a member of a Transitioning Household; or (z) live-in caregiver for a member of a Transitioning Household who has been approved by TIDA or TIDA's agent to reside in the unit, provided that Persons in categories (x) and (y) have met the requirements to be considered a Post-DDA Tenant.

h. **“Force Majeure Household”** means a Household that is not a Post DDA Household and is not in Unlawful Occupancy is required by TIDA or any other agency to move from an Existing Unit off of NSTI as a result of a natural disaster or other condition that makes the Existing Unit uninhabitable prior to the Household receiving a First Notice to Move.

2. **TIDA Records of Eligibility.** Based on information available to TIDA, including information provided by Villages Households during and in follow-up to interviews under **Section III.B** (Interview Households and Offer Advisory Services), TIDA will maintain records indicating which members of each Villages Household constitute an eligible Transitioning Household and which members are Post-DDA Tenants or otherwise not qualified for Transition Benefits.

B. Ineligible Residents

1. **Post-DDA Tenants.** Post-DDA Tenants are ineligible for Transition Benefits. A Post-DDA Tenant may be a resident in an Existing Unit in which other residents constitute a Transitioning Household. Post-DDA Tenants will be eligible only for transition advisory services under these Transition Housing Rules and Regulations.

2. **Unlawful Occupancy.** A resident in Unlawful Occupancy of an Existing Unit is ineligible for Transition Benefits or advisory services under these Transition Housing Rules and Regulations.

III. TRANSITION NOTICES AND PROCEDURES

A. First Notice to Move

1. **Delivery of First Notice to Move.** TIDA will deliver a First Notice to Move to each affected Household before the Household is required to move to facilitate the ongoing redevelopment of NSTI.

2. **Time of Notice.** The First Notice to Move will be delivered: (a) no less than 90 days before the date by which an Interim Move must occur; and (b) no less than 120 days before the date by which a Long-Term Move must occur.

3. **Contents of Notice.** The First Notice to Move will state:

- a. whether the move will be an Interim Move or a Long-Term Move;
- b. TIDA's intent to terminate the Residential Lease for the Existing Unit on a specified date, by which the Household will be required to move;

c. whether TIDA records: (i) list any or all of the members of the Household as an eligible Transitioning Household; or (ii) indicate that any members of the Household are Post-DDA Tenants or are otherwise ineligible for Transition Benefits;

d. if TIDA records indicate that any members of the Household are or may be a Transitioning Household: (i) additional information or verifications necessary to determine eligibility as a Transitioning Household; (ii) a general description of the Transition Benefits that a Transitioning Household may receive under these Transition Housing Rules and Regulations; (iii) additional steps a Transitioning Household must take to secure Transition Benefits, such as setting up an interview to provide TIDA with the information necessary to complete income certification requirements and determine the composition of the Transitioning Household; and (iv) the time-frame for setting up the informational interview to establish the Transitioning Household's housing needs and certify Household Income;

e. if TIDA records indicate that the entire Household (or any member of the Household) is not a Transitioning Household but is a Post-DDA Tenant, information regarding advisory services available to Post-DDA Tenants and on the Household's opportunity to present information demonstrating its eligibility as a Transitioning Household;

f. contact information for questions about the notice or process; and

g. that the notice and all future notices will be translated into a language understood by the Household if the Household notifies TIDA that the Household does not include an adult fluent in English.

B. Interview Household and Offer Advisory Services

1. Schedule Interview. After the First Notice to Move is delivered, TIDA will contact each Household to set up interviews. TIDA will provide sufficient advance notice and scheduling flexibility to enable each adult in the Household (except those in Unlawful Occupancy of the Existing Unit) to be interviewed, so that TIDA can obtain required information and provide advisory services described below.

2. Advisory Services for Transitioning Households:

a. The interviews will enable TIDA to: (i) describe and explain any applicable eligibility requirements for the specific Transition Benefits available to the Transitioning Household under these Transition Housing Rules and Regulations; (ii) advise and assist the Transitioning Household in evaluating its housing needs; (iii) identify any special needs for that Transitioning Household; (iv) assist each Transitioning Household to complete applications for Transition Benefits; and (v) ensure that no Transitioning Household will be required to move from an Existing Unit without an opportunity to relocate to a Transition Unit, except in the case of: (A) an Interim Move; (B) a major disaster as defined in § 102(2) of the federal Disaster Relief Act of 1974; (C) a state of emergency declared by the President of the United States or the Governor of the State of California; or (D) any other emergency that requires the Household to move immediately from the Existing Unit because continued occupancy of the

Existing Unit by the Household constitutes a substantial danger to the health or safety, or both, of the Household.

b. For Long-Term Moves only: (i) the Transitioning Household must begin the process of determining Household Income; and (ii) to qualify for an income-restricted Transition Unit under **Sections V.E.1, V.E.2, or V.E.3** (Calculation of Base Monthly Rental Cost), Household Income of the entire Transitioning Household must be certified, subject to third-party verification. For all Households, TIDA will use the then-current Tenant Income Certification Form published by the California Tax Credit Allocation Committee to determine Household Income. A copy of the current form is attached as **Appendix 1**.

c. If all adult members of a Transitioning Household do not consent to be interviewed or do not provide all of the required information requested during or within 30 days after the interview, TIDA will be entitled to rely solely on the limited information provided in response to the interview and contained in its records relating to the Household when making its determination about eligibility for Transition Benefits.

3. **Advisory Services for Post-DDA Tenants.** The interviews will enable TIDA to offer the following advisory services to Post-DDA Tenants: (a) assist in evaluating their housing needs and any special needs; (b) provide references to providers of special needs services and other housing in San Francisco; and (c) provide a Household with the opportunity to present information to TIDA to support a claim of eligibility for Transition Benefits.

C. Second Notice to Move

1. **Time and Contents of Second Notice to Move.** No less than 60 days before a Household is required to move, TIDA will deliver a Second Notice to Move. The Second Notice to Move will state:

a. TIDA's determination of whether the Household is an eligible Transitioning Household;

b. which members of the Household, if any, are Post-DDA Tenants, in Unlawful Occupancy, or otherwise ineligible for Transition Benefits;

c. the actual date by which the move must be complete (the "**Move Date**"); and

d. the options available to the Transitioning Household under these Transition Rules and Regulations.

D. Selection of a Transition Benefit

After receipt of the Second Notice to Move, each Transitioning Household will be required to make certain decisions about Transition Benefits.

1. Transition Benefit Options for Long-Term Moves. For Long-Term Moves, the Second Notice to Move will offer each Transitioning Household a choice of:

a. the Transition Unit Option to move into a Transition Unit in a specifically identified new building on TI, with the number of bedrooms, initial rent, and long-term rent protection as described in **Article V** (Description of Transition Unit Option);

b. the In-Lieu Payment Option to receive an In-Lieu Payment, calculated in accordance with **Article VI** (Description of In-Lieu Payment Option); or

c. the Unit Purchase Assistance Option to receive Down Payment Assistance calculated in accordance with **Article VII** (Description Unit Purchase Assistance Option), but only if new for-sale units are then available for purchase and the Transitioning Household can demonstrate that it can close escrow on the purchase of and move into a new Dwelling on NSTI before the Move Date.

2. Options for Interim Moves. For Interim Moves, the Second Notice to Move will offer each Transitioning Household a choice of the following options:

a. the right to occupy an Existing Unit on Treasure Island with the number of bedrooms and initial rent calculated in accordance with **Article IV** (Interim Moves); or

b. the option to receive an In-Lieu Payment in accordance with **Article VI** (In-Lieu Payment Option).

3. Written Notice to TIDA of Selection. For both Long-Term Moves and Interim Moves, the Transitioning Household's selection may be made by delivering written notice to TIDA, signed by each adult member of the Transitioning Household at any time up to 45 days before the Move Date.

4. Transitioning Household Entitled to Single Transition Benefit. Each Transitioning Household receiving a Long Term Move Notice is entitled to only one of the Transition Benefits described in **Article V** (Transition Unit Option), **Article VI** (In-Lieu Payment Option), and **Article VII** (Unit Purchase Assistance Option). As a condition to receipt of the selected Transition Benefit, each member of the Transitioning Household will be required to waive all other Transition Benefits under these Transition Housing Rules and Regulations.

E. Complete the Move

1. Eligibility for Moving Assistance. Moving assistance to cover the costs of moving the Household will be provided to every Transitioning Household that makes an Interim Move from an Existing Unit on NSTI to another Existing Unit on TI and/or a Long-Term Move from an Existing Unit on NSTI to a Transition Unit. Moving assistance is not provided to: (a) Transitioning Households that receive the In-Lieu Payment Option or Down Payment Assistance; (b) Post-DDA Tenants; (c) Persons in Unlawful Occupancy of their Existing Unit; or (d) other Persons ineligible for Transition Benefits.

2. Actual Costs. A Transitioning Household will be compensated for Actual Reasonable Moving Expenses incurred in moving the Household for an Interim Move to an Existing Unit or a Long-Term Move to a Transition Unit. Costs that may be included in a claim for Actual Reasonable Moving Expenses are listed in **Article VIII.B** (Moving Assistance).

3. Moving Allowance Alternative. A Transitioning Household that is eligible to be reimbursed for Actual Reasonable Moving Expenses may elect instead to receive a Moving Expense Allowance that will be determined according to a schedule established by TIDA, based on a moving expense allowance determined in accordance with established federal Highway Administration schedules maintained by the California Department of Transportation. The current schedule is shown in **Appendix 3**.

F. Early Transition Benefits

1. Limited Circumstances. Under certain circumstances, Transitioning Households may be eligible to receive certain Transition Benefits before receipt of a Notice to Move.

a. The In-Lieu Payment Option may be available earlier, if, and only if, TIDA provides written notice to Transitioning Households offering an early opportunity to receive an In-Lieu Payment, which may be conditioned on the Household moving out of its Existing Unit by a specified date ("**Notice of Early In-Lieu Payment Option**").

b. The Unit Purchase Assistance Option is available at any time a Transitioning Household completes the purchase of a new Dwelling on NSTI, unless the Transitioning Household has previously lost its status as a Transitioning Household by accepting an In-Lieu Payment or moving into a Transition Unit.

IV. INTERIM MOVES

A. Required Interim Moves

Some Transitioning Households will be required to make an Interim Move from one Existing Unit to another Existing Unit on TI.

An Interim Move will be required for those Transitioning Households that reside in areas proposed for redevelopment in an early phase of development. Although not currently anticipated, Interim Moves also may be required in later phases of development. Transitioning Households required to make an Interim Move will receive a First Notice to Move not less than 90 days before the Move Date and a Second Notice to Move not less than 60 days before the Move Date.

B. Benefits for Interim Moves

Transitioning Households required to make an Interim Move may elect to move to an Existing Unit on TI under the following terms:

1. Size. The offered Dwelling will have at least the same number of bedrooms as the Existing Unit unless the Transitioning Household elects to move to a smaller unit. The Transitioning Household may be offered a Dwelling that has a greater number of bedrooms if the available Dwellings with the same number of bedrooms as the Existing Unit will result in a reduction in total square footage from the Existing Unit by 10% or more.

2. Rent. The initial monthly rent for Transitioning Households making an Interim Move to an Existing Unit on TI will be determined as set forth below. In each case, the initial monthly rent will be subject to annual increases calculated by the Rent Board Adjustment.

a. If the offered Dwelling has the same or a greater number of bedrooms as the Existing Unit, the initial monthly rent for the offered Dwelling will be the lesser of: (a) the rent the Transitioning Household is paying for its Existing Unit on the date of the First Notice to Move; or (b) the market rent that TIDA would otherwise charge for the offered Dwelling on the date of the First Notice to Move.

b. If Transitioning Household has elected to move to an offered Dwelling with fewer bedrooms than its Existing Unit, the initial monthly rent on the offered Dwelling will be the lesser of: (a) the monthly rent for the Existing Unit on the date of the First Notice to Move, reduced by 10% for each reduction in bedroom count, or (b) the market rent that TIDA would otherwise charge for the offered Dwelling on the date of the First Notice to Move. For example, if a Transitioning Household occupies an Existing Unit with four bedrooms on the DDA Effective Date, but elects in an Interim Move to move into an offered Dwelling with two bedrooms, the initial monthly rent under (a) would be 80% of the monthly rent on the Existing Unit on the date of the First Notice to Move.

3. Unit Selection. The Notice to Move for an Interim Move will provide information on the process for Transitioning Households electing to move to an Existing Unit on TI to select a Dwelling.

4. Status as Transitioning Household. The Transitioning Household will retain its status as a Transitioning Household following an Interim Move, and will continue to be eligible for Transition Benefits as long as the Household continues to meet the eligibility requirements stated in **Section II.A.1.d** (Determination of Household Eligibility for Transition Benefits).

C. Option to Elect In-Lieu Payment

Instead of making an Interim Move, Transitioning Households may elect the In-Lieu Payment Option in accordance with **Article VI** (Description of In-Lieu Payment Option).

V. DESCRIPTION OF TRANSITION UNIT OPTION

A. Transition Unit Option

1. Time of Option. The Transition Unit Option is available for Transitioning Households only after TIDA delivers a Notice to Move for a Long-Term Move.

2. Benefits. Transitioning Households will have the opportunity to rent a newly-constructed Transition Unit on Treasure Island. Transitioning Households that elect to move into the offered Transition Unit will be eligible for Actual Reasonable Moving Expenses or a Moving Expense Allowance.

3. Designated Unit. TIDA will designate at least one Transition Unit for each Transitioning Household selecting the Transition Unit Option.

4. Loss of Status. A Transition Unit will be offered to each Transitioning Household unless it has lost its status as a Transitioning Household by its prior receipt of Transition Benefits for a Long-Term Move or it no longer meets the eligibility requirements stated in **Section II.A** (Determination of Household Eligibility for Transition Benefits).

5. Leases for Income-Restricted Units. Leases for Households with Section 8 vouchers, Tax Credit Eligible Households and others occupying Transition Units assisted with state, federal, or local housing funds will be subject to applicable regulations and requirements of such funding programs.

6. Loss of Option. TIDA's obligation to provide a Transitioning Household selecting the Transition Unit Option with a Transition Unit will be deemed to be satisfied if the Transitioning Household is offered and refuses to accept the Transition Unit offered.

B. Standards Applicable to Transition Units

1. Size. Except as provided below, a Transition Unit offered to a Transitioning Household under the Transition Unit Option must contain the same number of bedrooms as in the Existing Unit. Exceptions include:

a. Program regulations of certain government housing programs (e.g. tenant-based Section 8) may limit the number of bedrooms that participating Transitioning Households can be offered.

b. In determining the size of a Transition Unit, Post-DDA Tenants, Persons in Unlawful Occupancy and other Persons ineligible for Transition Benefits are excluded as Persons in the Transitioning Household, but Post-DDA Tenants will be allowed to move into a Transitioning Household's Transition Unit.

c. If the Transitioning Household is smaller when it moves into the Transition Unit than it was when its eligibility was established, TIDA will offer a Transition Unit with one bedroom per Person remaining in the Transitioning Household up to a maximum of four bedrooms.

2. Decent, Safe and Sanitary. The Dwelling must be "Decent, Safe and Sanitary," which means it:

a. conforms with all applicable provisions for existing structures that have been constructed under state or local building, plumbing, electrical, housing and occupancy codes, and similar ordinances or regulations;

b. has a continuing and adequate supply of potable water;

c. has a kitchen or an area set aside for kitchen use that: (i) contains a sink in good working condition connected to hot and cold water and to an adequate sewage system; and (ii) has utility service connections and adequate space for the installation of a stove and a refrigerator;

d. has an adequate heating system in good working order that will maintain a minimum temperature of 70 degrees in all habitable rooms, and all rooms must be adequately ventilated;

e. has a bathroom, well lit and ventilated and affording privacy to a person within it, containing a lavatory basin and a bathtub or stall shower, properly connected to an adequate supply of hot and cold running water, and a flush closet, all in good working order and properly connected to a sewage disposal system;

f. has an adequate and safe wiring system for lighting and other electrical services;

g. is structurally sound, weather tight, in good repair, and adequately maintained;

h. has a safe unobstructed means of egress leading to safe open space at ground level that conforms to building and fire codes;

i. has at least one room that has not less than 150 square feet of floor area, and other habitable rooms, except kitchens, that have an area of not less than 70 square feet;

j. has sleeping room(s) that include at least 70 square feet of habitable floor space for the first occupant and 50 square feet of habitable floor space for each additional occupant; and

k. is available to the Transitioning Household regardless of race, color, sex, marital status, religion, or national origin in a manner consistent with Title VIII of the Civil Rights Act of 1968 and any other applicable local, state, or federal nondiscrimination laws.

C. Required Information for Option

1. Relevant Household Information. Transitioning Households must provide all of the following information to receive the Transition Unit Option:

a. Household Income;

b. Household composition and size, including: (i) the full names of all Household members and relationship of Household members to each other; (ii) age and number of any children and elderly members of the Household; (ii) whether any members of the Transitioning Household are disabled; (iii) whether any members of the Transitioning Household are Adult Students; and (iv) special needs (social and public services, special schools, and other services, need for in-home care); and

2. Time to Provide Information. To the extent all required information is not provided at the interview, Transitioning Households wishing to obtain Transition Benefits will have 30 days after the interview to provide all required information to TIDA.

D. Calculation of Household Income

A Transitioning Household's annual Household Income will be determined using the current Tenant Income Certification Form (see **Appendix 1**).

Households will be required to verify Household Income with third-party documentation such as W-2 forms, pay check stubs, tax returns or other forms of verification. Monthly Household Income will be determined based on the most recent 12 month period preceding the First Notice to Move.

E. Calculation of Base Monthly Rental Cost

The Transitioning Household will be offered a Transition Unit at an initial rent not exceeding the Base Monthly Rental Cost as determined below:

1. Adjustments for Changes in Bedroom Count. If the size of the Transitioning Household changed after the Effective Date, and the Transition Unit contains fewer bedrooms than the Household's Existing Unit as provided in **Section V.B(1)(c)** (Standards Applicable to Transition Units), for purposes of determining the Base Monthly Rental Cost the monthly rent for the Existing Unit will "**Adjusted for Changes in Bedroom Count**," according to the following calculation: (a) calculate the Existing Unit's monthly rent by adding any annual Rent Board Adjustments to the rent for the Existing Unit on the DDA Effective Date; (b) multiply (a) by the product of 10% times the reduction in bedroom count and (c) deduct the applicable Utility Adjustment. For example, if a Transitioning Household originally rented an Existing Unit with four bedrooms but due to changes in the Transitioning Household's size received a unit with two bedrooms, the monthly rent would be reduced by 20% and adjusted for the applicable Utility Allowance based on the new unit bedroom count.

2. Households Participating in Governmental Housing Programs

a. Tax Credit Eligible Households: Base Monthly Rental Cost for Tax Credit Eligible Households will be the lesser of: (i) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count (as defined below), if applicable, less Utility Adjustment; (ii) 30% of the Transitioning Household's Average Monthly Income; or (iii) the maximum allowable rent under applicable tax credit regulations less Utility Adjustment. Tax Credit Eligible Households will be offered a

Transition Unit in housing financed with low income housing tax credits and may be required to certify Household Income annually while occupying the rent-restricted unit.

b. Households with Section 8 Vouchers: Base Monthly Rental Cost for Households with Section 8 vouchers will be the fair market rent for a Dwelling for the Household size under Section 8 program regulations, less Utility Adjustments.

3. Low Income Household (defined in Calif. Health & Safety Code § 50079.5): Base Monthly Rental Cost for Low Income Households that do not include Adult Students will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less Utility Adjustment; or (b) the maximum rent for a Low Income Household allowed by Health and Safety Code § 50053, less Utility Adjustment.

4. Moderate Income Household (defined in Calif. Health & Safety Code § 50079.5): Base Monthly Rental Cost for Moderate Income Households that do not include Adult Students will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less Utility Adjustment; or (b) the maximum rent for a Moderate Income Household allowed by Health and Safety Code § 50053, less Utility Adjustment.

5. All Other Transitioning Households: Base Monthly Rental Costs for all other Households, consisting of: (i) Transitioning Households that are not Tax Credit Eligible Households, Households with Section 8 vouchers, Low Income Households, or Moderate Income Households; (ii) Transitioning Households that include an Adult Student; and (iii) Transitioning Households that do not provide the required Household information within 30 days after their interview under **Section III.B** (Interview Household and Offer Advisory Services) will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less the Utility Adjustment; or (b) the market rent that would otherwise be charged for the Transition Unit.

F. Lease Terms for Transition Unit; Occupancy Verification

1. Lease Terms. The following will apply to each Transitioning Household accepting a Transition Unit, except for Tax Credit Eligible Households and Households with Section 8 vouchers (whose leases will comply with applicable federal regulations):

a. The Transitioning Household will enter into a lease containing the following key terms: (i) an initial period of 12 months, with automatic renewal on a month-to-month basis; (ii) a limitation on annual rent increases to the Rent Board Adjustment; (iii) a statement that the Transitioning Household may remain in the Transition Unit as long as the Household remains in Good Standing under its lease, and a description of the events that will cause the Household to be in default of its lease; and (iv) a prohibition against subleasing.

b. Each lease for a Transition Unit will require the Transitioning Household to: (i) identify each occupant of the Household by name; (ii) acknowledge that subleasing is not permitted and that subleasing will be a default under the lease; (iii) acknowledge that at least one member of the Transitioning Household must maintain the Transition Unit as his or her primary Dwelling; (iv) cooperate fully with any subsequent occupancy verification; and (v) comply with all other terms of the lease.

2. Right to Verify Occupancy by Transitioning Household. TIDA, or any subsequent owner or property management company for the Transition Unit, will have the right to verify occupancy of the Transition Unit at any time. If a Transitioning Household does not cooperate with an occupancy verification request or any member of the Household is discovered to have provided knowingly false responses: (a) the entire Transitioning Household will lose the right to continue to rent at the Base Monthly Rental Cost; (b) rent will be increased to the then-current market rate; and (c) future rent increases will not be limited to the Rent Board Adjustment. In addition, TIDA, or any subsequent owner or property management company for the Transition Unit will have the right to charge and collect the additional rent it would have charged, had the rents not been reduced under these Transition Rules and Regulations.

3. Termination of Lease for Transition Unit. If the Transition Unit is no longer occupied by any members of the Transitioning Household, the Transitioning Household's lease for the Transition Unit will terminate.

VI. DESCRIPTION OF IN-LIEU PAYMENT OPTION

A. In-Lieu Payment Option

1. Time. A Transitioning Household may elect to receive an In-Lieu Payment in response to a written offer from TIDA. TIDA currently anticipates offering the In-Lieu Payment Option at the following times:

a. when TIDA delivers a Notice to Move for an Interim Move to a Transitioning Household;

b. when TIDA delivers a Notice of Early In-Lieu Payment Option, currently anticipated to occur during a specified period between TIDA's approvals of Major Phase 2 and Major Phase 4; and

c. when TIDA delivers a Notice to Move for a Long-Term Move to a Transitioning Household.

2. Calculation of Payment. The amount of the In-Lieu Payment will be calculated using the schedule for Relocation Payments for No Fault Evictions published and updated annually by the San Francisco Rent Board (as of the date of the calculation, the "**Rent Board Schedule**"). The 2010 In-Lieu Payment Schedule, based on the 2010 Rent Board Schedule, adjusted for up to four adults, is attached as **Appendix 2**. The Transitioning Household's In-Lieu Payment will be the product of the payment per adult tenant in the Rent

Board Schedule times the number of adults in the Transitioning Household, up to a maximum of four, plus any of the following applicable adjustments:

- a. if the Transitioning Household includes elderly or disabled Persons, the product of the payment per elderly or disabled Person under the Rent Board Schedule times the number of elderly or disabled persons in the Transitioning Household; and
- b. if the Transitioning Household includes any minor children, an additional lump sum equal to the payment for minors under the Rent Board Schedule.
- c. In determining the number of adults in a Transitioning Household, Post-DDA Tenants and, Persons in Unlawful Occupancy and other Persons ineligible for Transition Benefits are excluded as Persons in the Transitioning Household.

3. Effect of Election. Transitioning Households that elect to receive the In-Lieu Payment:

- a. will no longer be eligible for the Transition Unit Option or the Unit Purchase Assistance Option
- b. will not receive moving assistance;
- c. will be required to vacate their Existing Units by the date specified in the Notice to Move or Notice of Early In-Lieu Payment Option to receive the In-Lieu Payment; and
- d. upon written request to TIDA, will be placed on the Premarketing Notice List if not already listed.

VII. DESCRIPTION OF UNIT PURCHASE ASSISTANCE OPTION

Transitioning Households that elect to receive the Unit Purchase Assistance Option will be entitled to Down Payment Assistance.

A. Down Payment Assistance

1. Amount of Payment. A Transitioning Household electing the Unit Purchase Assistance Option will receive “**Down Payment Assistance**” described in this Section. The amount of Down Payment Assistance will be equal to the amount the Transitioning Household would have received had it chosen an In-Lieu Payment, based on the Rent Board Schedule and the number of eligible members in the Transitioning Household, up to four Persons, when the Household enters into the purchase contract for the new Dwelling on NSTI.

2. Conditions to Payment. A Transitioning Household electing to purchase a new Dwelling on NSTI will receive Down Payment Assistance only if: (a) the Household meets all applicable eligibility criteria to purchase the new Dwelling; (b) its purchase offer for the new

Dwelling is accepted; and (c) the purchase closes escrow. No Household is guaranteed that its offer to purchase a new Dwelling on NSTI will be accepted, and the purchased Dwelling need not be similar in size, bedroom count, and amenities to the Existing Unit previously occupied by the Household.

3. Escrow and Closing. Down Payment Assistance will be paid at closing into escrow. TIDA will verify the Transitioning Household's eligibility for and amount of the Down Payment Assistance to lenders and sellers of Dwellings during escrow upon request. If escrow does not close, the escrow officer will be instructed to return any Down Payment Assistance funds on deposit to TIDA.

4. Termination of Status. A Transitioning Household that elects to receive the Down Payment Assistance and closes its purchase on a new for-sale Dwelling on NSTI:

- a. will no longer be eligible for the Transition Unit Option or the In-Lieu Payment Option
- b. will not receive moving assistance;
- c. will be required to vacate its Existing Unit by the date specified in the Notice to Move; and
- d. will be removed from the Premarketing Notice List.

VIII. ADDITIONAL ASSISTANCE

A. Premarketing Assistance

1. Definitions. The following definitions will apply to the Assistance described in this Section VIII.A (Premarketing Assistance):

- a. **"Post-Transition Household"** means a Transitioning Household that previously received an In-Lieu Payment.
- b. **"Post-Transition Tenant"** means a Person who was a member of a Transitioning Household that previously received an In-Lieu Payment.
- c. **"Premarketing Notice List"** means that email contact list that TIDA will maintain to provide notice of a Premarketing Window.
- d. **"Premarketing Window"** means a specific and limited time period of no less than 30 days before the Dwellings in each new for-sale housing development on NSTI are offered for sale to the general public.
- e. **"Sunset Date"** means the date that is seven years after the date that a Transitioning Household or a Post-Transition Tenant is placed on the Premarketing Notice List.

2. Early Notice. Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List will have the opportunity to make purchase offers on Dwellings in each new for-sale housing development on NSTI during the Premarketing Window.

a. If the purchase offer of a Transitioning Household that is not a Post-Transition Household is accepted: (i) the Transitioning Household also may select the Unit Purchase Assistance Option to receive Down Payment Assistance under **Section VII.A** (Down Payment Assistance); and (ii) TIDA will remove the Transitioning Household from the Premarketing Notice List after close of escrow. Post-Transition Households are not eligible for Down Payment Assistance.

b. If the purchase offer of a Post-Transition Tenant or Post Transition Household is accepted and escrow closes, TIDA will: (i) remove the Post-Transition Tenant or Post Transition Household from the Premarketing Notice List; and (ii) have no further obligation to the Post-Transition Tenant or Post Transition Household under these Transition Housing Rules and Regulations. Post-Transition Tenants are not eligible for Down Payment Assistance.

c. A Transitioning Household whose purchase offer is not accepted may stay on the Premarketing Notice List for subsequent notices of Premarketing Windows until the earliest of: (i) the date escrow closes on a subsequent purchase offer; (ii) the date the Transitioning Household moves into a Transition Unit; or (iii) the Sunset Date.

d. Post-Transition Households and Post-Transition Tenants whose purchase offers are not accepted may stay on the Premarketing Notice List for subsequent notices of Premarketing Windows until the earlier of: (i) the date escrow closes on a subsequent purchase offer; or (ii) the Sunset Date.

3. Notice List.

a. Each Transitioning Household and Post-Transition Household must: (i) provide TIDA with the names of Household members, the designated Household contact's name, and an email address for notices; and (ii) notify TIDA of any changes to Household information to remain on the Premarketing Notice List.

b. Each Post-Transition Tenant must: (i) provide TIDA with an email address for notices; and (ii) notify TIDA of any changes in the email notice address to remain on the Premarketing Notice List.

c. TIDA will have no obligation to: (i) verify that email notices that are sent are actually delivered; or (ii) update contact information of Transitioning Households, Post-Transition Households, or Post-Transition Tenants that do not notify TIDA that their email addresses have changed. TIDA will remove Transitioning Households, Post-Transition Households, and Post-Transition Tenants from the Premarketing Notice List on their respective Sunset Dates if they are then still on the list.

4. Required Acknowledgement. Before TIDA is obligated to add contact information to the Premarketing Notice List, each member of a Transitioning Household, Post Transition Household and Post-Transition Tenants will be required to sign an acknowledgment that neither TIDA nor any for-sale housing developer will be responsible for: (a) ensuring that the contact email address provided is current; (b) any inadvertent omission from the Premarketing Notice List, as long as the housing opportunity is marketed generally in the San Francisco area; or (c) guaranteeing that a Transitioning Household or a Post-Transition Tenant will qualify to purchase a new Dwelling.

5. Developer Notice Requirements. For-sale housing developers will be required to provide TIDA with advance notice of the Premarketing Window for each new for-sale housing development on NSTI, stating: (a) the start and end dates of the Premarketing Window; (ii) for each available Dwelling, the unit address, number of bedrooms, and initial offered price; (iii) the date(s) on which interested Transitioning Households, Post-Transition Households, and Post-Transition Tenants may tour the available Dwellings; and (iv) contact information for an authorized representative of the housing developer who can answer questions about the available Dwelling(s). TIDA will send email notices to all Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List before the Premarketing Window begins.

6. No Preferential Treatment. Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List will be offered the same purchase terms for the for-sale units as those offered to the general public.

a. Inclusionary units will be offered at a specified below-market-rate price to Transitioning Households, Post-Transition Households, and Post-Transition Tenants that meet all qualifying income and occupancy criteria for that Dwelling.

b. The purchase price of all other for-sale Dwellings will be the market-rate price.

c. Transitioning Households, Post-Transition Households, and Post-Transition Tenants will be required to qualify to purchase any Dwellings offered for sale during the Premarketing Window in the same manner as other members of the general public.

d. The Premarketing Window does not guarantee that a Transitioning Household, Post-Transition Household, or Post-Transition Tenant will qualify for the purchase or that its purchase offer will be accepted.

B. Moving Assistance

1. Covered Moving Expenses. All Transitioning Households that make Interim Moves and that select the Transition Unit Option for a Long-Term Move will receive either Actual Reasonable Moving Expenses or a Moving Expense Allowance. Actual Reasonable Moving Expenses will include:

a. transportation of persons and property upon NSTI;

- b. packing, crating, unpacking, and uncrating Personal Property;
- c. insurance covering Personal Property while in transit;
- d. connection charges imposed by public utilities for starting utility service;
- e. the reasonable replacement value of Personal Property lost, stolen, or damaged (unless caused by the Transitioning Household or its agent) in the process of moving, where insurance covering such loss, theft, or damage is not reasonably available; and
- f. the removal of barriers to the disabled and installations in and modifications to a disabled Person's new Dwelling as needed to accommodate special needs.

2. Allowance Alternative. A Transitioning Household electing a self-move for an Interim Move or a Long-Term Move into a Transition Unit will be paid according to the Moving Allowance Schedule in **Appendix 3** promptly after filing a claim form provided by TIDA and vacating the Existing Unit, unless the Household seeks and is granted an advance payment to avoid hardship.

3. Advance Payment to Avoid Hardship. A Transitioning Household may be paid for anticipated moving expenses in advance of the actual move. TIDA will make an advance payment whenever the Household files a claim form provided by TIDA supported by documents and other evidence that later payment would result in financial hardship. Particular consideration will be given to the financial limitations and difficulties experienced by low and moderate income residents.

4. Moving Expense Claims. A claim for payment of Actual Reasonable Moving Expenses must be supported by a bill or other evidence of expenses incurred.

a. Each claim greater than \$1,000 for the moving costs incurred by a Transitioning Household hiring a moving company must be supported by at least 2 competitive bids. If TIDA determines that compliance with the bid requirement is impractical, or if the claimant obtains estimates of less \$1,000, a claim may be supported by estimates instead. TIDA may make payment directly to the moving company.

b. A Transitioning Household's Actual Reasonable Moving Expenses will be exempt from regulation by the State Public Utilities Commission. TIDA may effect the moves by directly soliciting competitive bids from qualified bidders for performance of the work. Bids submitted in response to such solicitations will be exempt from regulation by the State Public Utilities Commission.

C. Assistance to Force Majeure Households.

In the event a Force Majeure Household is required by TIDA or any other agency to move from an Existing Unit off of NSTI as a result of a natural disaster or other condition that makes the Existing Unit uninhabitable prior to the Household receiving a First Notice to Move ("Force

Majeure Household"), the Force Majeure Household shall remain eligible for all Transition Benefits it would otherwise have been eligible for upon receipt of a First Notice to Move. The Force Majeure Household will not be eligible for Transition Benefits until such time as the First Notice to Move would have been given for the Existing Unit as determined by the implementation of the Development Plan for the area of NSTI where the Existing Unit was located. Any In-Lieu Payment Option or Down Payment Assistance will be reduced by any amounts paid to the Force Majeure Household by TIDA or any other public agency at the time the Force Majeure Household moved out of the Existing Unit, including any payments for moving expenses or replacement housing payments.

IX. IMPLEMENTATION OF TRANSITION HOUSING RULES AND REGULATIONS

A. Administration

1. Information Program. TIDA will maintain an information program using meetings, newsletters, and other mechanisms, including local media, to keep Villages residents informed on a continuing basis about: (a) TIDA's transition housing program and other information about the redevelopment process; (b) the timing and scope of any anticipated Interim Moves; (c) the timing and scope of anticipated Long-Term Moves, (c) procedures for implementing and making claims under these Transition Rules and Regulations; and (d) other information relevant to these Transition Rules and Regulations.

2. Nondiscrimination. TIDA will administer these Transition Housing Rules and Regulations in a manner that will not result in different or separate treatment on account of race, color, religion, national origin, sex, sexual orientation, marital status, familial status, or any basis protected by local, state, or federal nondiscrimination laws.

3. Site Office. TIDA may establish a site office that is accessible to all Households to provide advisory assistance described in **Section III.B** (Interview Households and Offer Advisory Services). If TIDA establishes a site office, it will be staffed with trained and experienced personnel, who may be third-party housing specialists.

4. Amendments. These Transition Rules and Regulations may be amended by TIDA from time to time by a resolution of the TIDA Board adopting an amendment at a duly noticed public meeting.

B. Household Records

1. Contents. TIDA will maintain records for each Household containing information obtained during interviews, documents submitted by residents, and existing files of its property manager. The records will contain a description of the pertinent characteristics of the Persons in the Household, the assistance determined to be necessary, and the Household's decisions on Transition Benefits. Members of a Transitioning Household will have the right to inspect their own Transitioning Household records to the extent and in the manner provided by law.

2. Confidentiality. Household income information is confidential and will only be used for its intended purpose. Confidential information will not be disclosed to third parties outside of the Household unless all members of the Household provide their written consent to disclosure or a valid court order requires disclosure.

3. Publication of Aggregate Resident Data. TIDA will have the right to publish aggregate data about the resident population on NSTI, including information that is segmented according to aggregate Villages resident data and aggregate TIHDI resident data.

X. CLAIM AND PAYMENT PROCEDURES; TERMINATION OF TRANSITION HOUSING ASSISTANCE

A. Filing Claims; Tax Forms

1. Written Claims Required. TIDA will provide claim forms for payment under these Transition Rules and Regulations. All claims for In-Lieu Payments and Down Payment Assistance must be submitted to TIDA with the Household's notice of election of that specific Transition Benefit. All claims for moving expense payments must be submitted to TIDA within six months after the date on which the claimant makes an Interim Move or moves into a Transition Unit.

2. Tax Forms. TIDA: (a) makes no representations about the tax treatment of any payments or benefits of monetary value any Person receives under these Transition Housing Rules and Regulations; (b) will require all Persons who receive an In-Lieu Payment, Down Payment Assistance, moving assistance, or any other payment under these Transition Housing Rules and Regulations to provide TIDA with valid Social Security numbers for all recipients; and (c) will file W-9 forms for all payments and benefits of monetary value made or provided to any Person under these Transition Housing Rules and Regulations.

B. Treatment of Dependents

1. Allocation of Transition Benefits. The following will apply to any Person who derives 51% or more of his or her income from one or more Persons within the same Transitioning Household in an Existing Unit (the "**Supporting Household**") or otherwise meets his or her living expenses primarily through the monetary support of the Supporting Household (a "**Dependent**").

a. A Dependent who lives with the Transitioning Household will not be entitled to any Transition Benefit except as a part of the Household, and will be counted as a member of the Transitioning Household for determining Household size.

b. If the Dependent's primary Dwelling, as determined by voter registration, driver's license, or other forms of verification, is different from that of the Supporting Household when the Supporting Household selects and receives a Transition Benefit, the Dependent will not be counted as part of the Transitioning Household when determining: (i) the size of a Transition Unit; (ii) the amount of an In-Lieu Payment; or (iii) the amount of Down Payment Assistance.

2. Documentation of Dependent Status. Any Transitioning Household claiming a Dependent must provide third-party documentation that it is a Supporting Household. TIDA will have the right to require that the Supporting Household and Dependent, if applicable, provide copies of tax returns filed for tax years preceding the claim.

C. Adjustments for Multiple Claims; Nontransferability

1. Multiple Claimants. The amount of an In-Lieu Payment, Down Payment Assistance, or Moving Expense Allowance will be determined based on the total number of eligible members in the Transitioning Household. All adult members of a Household must sign the claim form and any other required documents as a condition to TIDA's obligation to pay Transition Benefits and moving assistance.

2. Multiple Claims. A single claim form for each payment claim by a Transitioning Household is preferred, but not required. Unless otherwise specified in a claim form, TIDA will issue separate checks to each adult in the Transitioning Household in equal shares, adjusted for Dependents and elderly or disabled members of the Household. If two or more eligible Persons in a single Transitioning Household submit more than one claim for any payment under these Transition Rules and Regulations, which in the aggregate exceed the payment limits to be made to the entire Transitioning Household, TIDA will pay each eligible claimant an equal share of the payment, up to the aggregate amount of the payment limits. As provided in **Section VII.A** (Down Payment Assistance), Transitioning Households that choose Down Payment Assistance will not receive direct payment; TIDA will deposit the entire amount of any Down Payment Assistance directly into escrow.

3. Nontransferability. The right to Transition Benefits and other assistance under these Transition Housing Rules and Regulations is personal to each member of a Transitioning Household and is not a property right. Therefore, a Transitioning Household's member's right to Transition Benefits and other assistance cannot be transferred by contract, inheritance, or any other means.

D. Termination of TIDA's Obligations

1. Termination of Right to Transition Benefits. TIDA's obligation to provide Transition Benefits to a Transitioning Household under these Transition Housing Rules and Regulations will terminate under the following circumstances:

a. The Transitioning Household moves off NSTI before receiving a Long-Term Notice to Move or a Notice of Early In-Lieu Payment Option.

b. The Transitioning Household moves to a Transition Unit and receives all moving assistance to which it is entitled.

c. The Transitioning Household moves off-NSTI after receiving a Notice to Move or a Notice of Early In-Lieu Payment Option and receives an In-Lieu Payment.

d. The Transitioning Household moves from an Existing Unit to a new for-sale Dwelling on NSTI and receives Down Payment Assistance.

e. The Transitioning Household refuses reasonable offers of assistance, payments, and a Transition Unit after receiving a Notice to Move.

f. TIDA determines a Household is not or has ceased to be a Transitioning Household or is otherwise not entitled to Transition Benefits.

2. Acknowledgement of Change in Status upon Receipt of Benefits. Each member of a Transitioning Household that receives Transition Benefits will be required to acknowledge in writing that he or she has received or is about to receive the Transition Benefits, and, upon receipt, the Household will cease to be a Transitioning Household entitled to any Transition Benefits, other assistance, and advisory services under these Transition Housing Rules and Regulations.

3. Records as Evidence. TIDA will be entitled to rely on and use its written offers of Transition Benefits to a Transitioning Household that refuses them, and all other information in the Transitioning Household's records, as evidence in any grievance proceeding or lawsuit.

4. Notice of Status. Except for a change in status after the Transitioning Household receives a Transition Benefit, TIDA will provide written notice of any determination that a Household is not or has ceased to be a Transitioning Household or is otherwise not entitled to Transition Benefits, delivered to the Transitioning Household's last known address.

5. Termination of Other Assistance. TIDA's obligations to provide moving assistance and to provide notices of Premarketing Windows will terminate as provided in **Article VIII** (Other Assistance).

XI. GRIEVANCE PROCEDURES

A. Administrative Remedies

1. Right to Appeal and Be Represented by Counsel. Any member of a Household, and any Household, that disagrees with a TIDA determination regarding eligibility for Transition Benefits, the proposed amount of payment, or the adequacy of the Transition Unit to which the Transitioning Household was referred may appeal the determination, but the Person or Household (individually, or as a Household, the "Grievant") must exhaust the prescribed administrative remedies before seeking judicial review. The Grievant will be entitled to be represented by an attorney at his or her, or the Household's, own expense at all stages of review under these Transition Housing Rules and Regulations.

2. Executive Director Review. The first step in administrative remedies available to a Grievant is the right to an appeal to the Executive Director of TIDA, as follows:

a. The Grievant must make a written request for review by the Executive Director no later than 12 months after the Grievant receives either a Long Term Notice to Move or an Interim Notice to Move. The Grievant's written request must state the basis for the claim and the relief sought.

b. The Grievant will be entitled to meet with the Executive Director and to present additional evidence and information that the Grievant has not presented previously through the interview process.

c. The Executive Director will make a determination based on the information the Grievant has provided to TIDA through the interview processes as well as any additional information presented by the Grievant.

d. The Executive Director must make a final determination in writing, stating the reasons for the determination within six weeks after conferring with the Grievant.

3. Hearing Before Relocation Appeals Board. If the Grievant is not satisfied with the Executive Director's determination, the second step in the administrative remedies available to a Grievant is an appeal to the Treasure Island Relocation Appeals Board (the "RAB"), which will be determined according to the procedures below:

a. No later than 30 days after the TIDA Executive Director delivers his or her written determination under **Section XI.A.2** (Executive Director Review) to the Grievant, the Grievant must submit a written appeal to the RAB, with a copy to TIDA, stating the basis for his or her claim and the relief sought by the Grievant. If the Grievant wishes to submit information in addition to that previously provided to TIDA, the additional information must be submitted with the written appeal, and TIDA will have 30 days to provide a response to any new material.

b. The RAB will review and reconsider the Grievant's claim in light of: (i) all material upon which the Executive Director based his or her original determination, including these Transition Housing Rules and Regulations; (ii) the Grievant's written request for an appeal; (iii) any additional written or relevant documentary material submitted by the Grievant; (iv) any material submitted by TIDA in response to new information submitted by the Grievant with the appeal; and (v) any further information that the RAB, in its discretion, obtains by request to ensure fair and full review of the claim.

c. The RAB may choose to hold a hearing, and must hold a hearing if requested by the Grievant. All RAB hearings will be public meetings subject to state and local public meeting laws. The RAB's review will be limited to whether the Grievant is entitled to the claimed relief under these Transition Housing Rules and Regulations. Its determination must be based on the information presented during the appeal and these Transition Rules and Regulations. All members of the RAB shall be required to disclose in a public meeting any communications and contacts such member has had with the Grievant outside of the hearing. The RAB will not be authorized to make any monetary award (including attorneys' fees and costs of appeal) other than a payment authorized under these Transition Rules and Regulations.

d. The RAB must issue a written determination to the Grievant and TIDA no later than six weeks from receipt of the last material submitted by any party or the date of the hearing, whichever is later, stating: (i) the RAB's decision; (ii) the basis upon which the decision rests, including any pertinent explanation or rationale; and (iii) a statement that the Grievant may appeal the decision in accordance with the procedure set forth below.

e. The RAB may reject an appeal for untimeliness by a written statement to the Grievant.

4. Administrative Law Judge Review. The final step in administrative remedies available to a Grievant is an appeal to an administrative law judge ("ALJ") on the Rent Board staff who is assigned to hear appeals under these Transition Rules and Regulations, as follows:

a. No later than 30 days after the RAB delivers its written determination under **Section XI.A.3** (Hearing Before Relocation Appeals Board) to the Grievant, the Grievant must submit a written appeal to the ALJ, and deliver a copy of the appeal to TIDA at the same time, stating the basis for the claim and the relief sought.

b. TIDA will have 15 days after a signed appeal is filed with the ALJ to provide the ALJ with copies of information related to the Grievant's case, including all additional evidence or information submitted by the Grievant to the RAB and TIDA's records related to the Grievant.

c. The assigned ALJ may attempt to resolve the dispute without a hearing, but is not required to do so.

d. The ALJ will conduct a hearing unless the dispute has been resolved before the hearing date.

e. The ALJ must make a final determination in writing, stating the reasons for the determination, and deliver the determination to the Grievant, with a copy to TIDA at the same time. The ALJ determination must include a statement that the Grievant has exhausted administrative remedies under these Transition Rules and Regulations.

5. Right to Judicial Review. The Grievant may seek judicial review after the administrative remedies described above have been exhausted.

XII. PROPERTY MANAGEMENT PRACTICES

A. Eviction

1. Grounds for Eviction. In addition to all other grounds under the Residential Leases and California law, TIDA may initiate eviction proceedings to remove a Household from its Existing Unit:

a. after the date specified in a Notice to Move for an Interim Move or for a Long-Term Move has passed, and: (i) the Household is a Transitioning Household that has

refused TIDA's offers of a Transition Benefit, including the right to relocate to a Transition Unit; or (ii) the Household is a Transitioning Household that has not vacated its Existing Unit after selecting and receiving a Transition Benefit; or (iii) the Household is a Post-DDA Household and has failed to vacate the Existing Unit after receipt of a Notice of Move.

b. after TIDA issues a notice to move due to: (i) a major disaster as defined in § 102(2) of the federal Disaster Relief Act of 1974; (ii) a state of emergency declared by the President of the United States or the Governor of the State of California; or (iii) any other emergency, or other condition, as determined by a Federal, State or Local governmental entity or department with jurisdiction over the premises, that requires the Household to move immediately from the Existing Unit because continued occupancy of the Existing Unit by the Household constitutes a substantial, or potential, danger to the health or safety, or both, of the Household, or the Existing Unit has become uninhabitable.

B. Post-DDA Tenants

1. Notice of Status. Before prospective Post-DDA Tenants move into any Existing Unit, TIDA will inform them:

a. that the Existing Unit will be available only for an interim period pending redevelopment of NSTI;

b. of the projected date that the Existing Unit is expected to be vacated and demolished for development, if known;

c. that, along with all other Villages residents, all Post-DDA Tenants will receive periodic notices from TIDA with updates about the progress of the project;

d. that TIDA will provide 90 days' notice of the date by which they must vacate their Existing Unit; and

e. that no Post-DDA Tenant is eligible for Transition Benefits under these Transition Rules and Regulations or relocation benefits under applicable relocation laws.

2. Advisory Services. Post-DDA Tenants are not eligible for Transition Benefits under these Transition Housing Rules and Regulations, unless an exception under **Section II.A.1** (Defined Terms for Determining Eligibility) applies, but are eligible for advisory services under **Section III.B** (Interview Households and Offer Advisory Services).

XIII. INTERPRETATION

A. Rules of Interpretation and Severability

1. The captions preceding the articles and sections of these Transition Housing Rules and Regulations and in the table of contents have been inserted for convenience of reference only and must be disregarded in interpreting these Transition Housing Rules and Regulations. Wherever reference is made to any provision, term, or matter in these Transition

Housing Rules and Regulations, the term “in these Transition Housing Rules and Regulations “ or “hereof” or words of similar import, the reference will be deemed to refer to any reasonably related provisions of these Transition Housing Rules and Regulations in the context of the reference, unless the reference refers solely to a specific numbered or lettered section, subdivision, or paragraph of these Transition Housing Rules and Regulations.

2. References to all laws, including specific statutes, relating to the rights and obligations of any person or entity mean the laws in effect on the effective date of these Transition Housing Rules and Regulations and as they are amended, replaced, supplemented, clarified, or superseded at any time while any obligations under these Transition Housing Rules and Regulations are outstanding, whether or not foreseen or contemplated.

3. The terms “include,” “included,” “including,” and “such as” or words of similar import when following any general term, statement, or matter may not be construed to limit the term, statement, or matter to the specific items or matters, whether or not language of non-limitation is used, but will be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of the term, statement, or matter, and will be deemed to be followed by the phrase “without limitation” or “but not limited to.”

4. Whenever required by the context, the singular includes the plural and vice versa, the masculine gender includes the feminine or neuter genders and vice versa, and defined terms encompass all correlating forms of the terms (e.g., the definition of “waive” applies to “waiver,” “waived,” “waiving”).

5. The provisions of these Transition Housing Rules and Regulations are severable, and if any provision or its application to any person or circumstances is held invalid by a final order or judgment of a court with valid jurisdiction over the matter, the invalid provision will not affect the other provisions or the application of those Transition Housing Rules and Regulations that can be given effect without the invalid provision or application.

APPENDIX 1

Sample of Tenant Income Certification Form (as published by the California Tax Credit Allocation Committee)

APPENDIX 2

2011 In-Lieu Payment Schedule

Based on the 2010 San Francisco Rent Board Relocation Payments for No Fault Evictions
(Adjusted for maximum of four adults)

Date of Second Notice to Move	In-Lieu Payment Amount Due Per Tenant	Maximum In-Lieu Payment Amount Due Per Unit (Maximum of 4 Adults)	PLUS Additional Amount Due for Each Elderly (60 years or older) or Disabled Tenant or Household with Minor Child(ren)
3/01/11 – 2/29/12	\$5,101.00	\$20,404.00	\$3,401.00

APPENDIX 3

Sample Moving Expense Allowance Schedule
(as published by the California Department of Transportation)

Fixed Moving Schedule CALIFORNIA (Effective 2008)	
Occupant Owns Furniture:	
1 room	\$625
2 rooms	\$800
3 rooms	\$1,000
4 rooms	\$1,175
5 rooms	\$1,425
6 rooms	\$1,650
7 rooms	\$1,900
8 rooms	\$2,150
Each additional room	\$225
Occupant does NOT Own Furniture:	
1 room	\$400
Each additional room	\$65

APPENDIX 4

Definitions

The following terms used in these Transition Rules and Regulations are defined as follows:

“Actual Reasonable Moving Expenses” is defined in **Section VIII.E** (Moving Assistance).

“Adjusted for Changes in Bedroom Count” is defined in **Section V.E.1** (Adjustment for Changes in Bedroom Count).

“adult” means a Person 18 years old or older.

“Adult Student” means an adult who, during the previous 12 months, was enrolled in two or more courses concurrently at an accredited educational institution, unless the Person is: (1) receiving assistance under Title IV of the Social Security Act; (2) enrolled in a job-training program; or (3) in a Transitioning Household composed entirely of full-time Adult Students who are single parents and are not listed as Dependents on someone else’s tax return or who are married and file a joint return.

“ALJ” is defined in **Section XI.A.4** (Administrative Law Judge Review).

“Average Monthly Income” when used in determining Base Monthly Rental Cost, means the Transitioning Household’s Household Income divided by 12.

“Base Monthly Rental Cost” means the amount that a Transitioning Household will pay as its initial rent for a Transition Unit, calculated as explained in **Section V.E** (Calculation of Base Monthly Rental Cost).

“Base Redevelopment Act” is defined in **Section I.A** (Background).

“BRAC” is defined in **Section I.A** (Background).

“CEQA” is defined in **Section I.A** (Background).

“City” means the City and County of San Francisco, a municipal corporation organized and existing under the laws of the State of California, or, as the context requires, the area within the City’s jurisdictional boundaries.

“DDA” is defined in **Section I.A** (Background).

“DDA Effective Date” is defined in **Section I.E** (Effective Date).

“Decent, Safe, and Sanitary Housing” means a Dwelling that meets the minimum requirements specified in **Section V.B** (Standards Applicable to Transition Units).

“Dependent” is defined in **Section X.B.1** (Treatment of Dependents).

“Development Plan” is defined in **Section I.A** (Background).

“Down Payment Assistance” means the Transition Benefit offered as part of the Unit Purchase Assistance Option, described in **Section VII.A** (Down Payment Assistance).

“Dwelling” means the primary Dwelling of a Household, including a single-family residence, a single-family residence in a two-family building, multi-family or multi-purpose building, or any other residence that either is considered to be real property under state law or cannot be moved without substantial damage or unreasonable cost.

“elderly” means a Person who is 60 years of age or older.

“Existing Unit” is defined in **Section II.A.1** (Defined Terms for Determining Eligibility).

“First Notice to Move” means a written notice to a Household, as described in **Section III.A** (First Notice to Move).

“Good Standing” is defined in **Section II.A.1** (Defined Terms for Determining Eligibility).

“Grievant” is defined in **Section XI.A** (Right to Appeal and Be Represented by Counsel).

“Household” is defined in **Section II.A.1** (Determination of Household Eligibility for Transition Benefits).

“Household Income” means the total annual income of a Household including the total annual income of all adults, determined according to the then-current Tenant Income Certification Form published by the Tax Credit Allocation Committee.

“Households with Section 8 Vouchers” means Transitioning Households that meet all of the criteria for occupying a Dwelling under Section 8 regulations and has been allocated a Section 8 Voucher..

“HUD” means the United States Department of Housing and Urban Development or any successor federal agency.

“In-Lieu Payment” means the Transition Benefit offered to Transitioning Households in the In-Lieu Payment Option, described in **Section VI.A** (In-Lieu Payment Option).

“In-Lieu Payment Option” means the Transition Benefit offered to Transitioning Households described in **Article VI** (Description of In-Lieu Payment Option).

“Interim Move” is defined in **Section I.D** (Overview and Program Framework).

“Long-Term Move” is defined in **Section I.D** (Overview and Program Framework).

“Low Income Household” means a Transitioning Household: (1) whose income does not exceed the qualifying limits for lower income Households as determined in accordance with Health and Safety Code Section 50079.5; and (2) that does not contain any Adult Students.

“minor” means a member of a Household who is under 18 years of age, excluding foster children, the head of Household, and a spouse of a member of the Household.

“Moderate Income Household” means a Household: (1) whose income exceeds the maximum income limitations for a Low Income Household, but does not exceed 120% of area median income as determined in accordance with Health and Safety Code Section 50093; and (2) that does not contain any Adult Students.

“Move Date” is defined in **Section III.C.1** (Second Notice to Move).

“Moving Expense Allowance” is defined in **Section III.E** (Complete the Move).

“Notice of Early In-Lieu Payment Option” is defined in **Section III.F** (Early Transition Benefits).

“Notice to Move” means a First Notice to Move or a Second Notice to Move, as appropriate in the context.

“NSTI” is defined in **Section I.A** (Background).

“Person” means an individual.

“Personal Property” means tangible property that is situated on real property vacated or to be vacated by a Transitioning Household and that is considered personal property under the state law, including fixtures, equipment, and other property that may be characterized as real property under state or local law, but that the tenant may lawfully and at his or her election may move.

“Post-DDA Tenant” is defined in **Section II.A1** (Determination of Household Eligibility for Transition Benefits).

“Post-Transition Household” is defined in **Section VIII.A** (Premarketing Assistance).

“Post-Transition Tenant” is defined in **Section VIII.A** (Premarketing Assistance).

“Premarketing Notice List” is defined in **Section VIII.A** (Premarketing Assistance).

“Premarketing Window” is defined in **Section VIII.A** (Premarketing Assistance).

“RAB” is defined in **Section XI.A.3** (Hearing before Relocation Appeals Board).

“Rent Board Adjustment” means the annual rent increases allowed by the San Francisco Residential Rent Stabilization and Arbitration Board under Chapter 37 of the Administrative Code.

“Rent Board Schedule” is defined in **Section VI.A.2** (Calculation of Payment).

“Residential Lease” is defined in **Section II.A.1** (Defined Terms for Determining Eligibility).

“Second Notice to Move” means a written notice to a Household, as described in **Section III.C** (Second Notice to Move).

“Section 8” means Section 8 of the United States Housing Act of 1937.

“Sunset Date” is defined in **Section VIII.A** (Premarketing Assistance).

“Supporting Household” is defined in **Section X.B.1** (Treatment of Dependents).

“Tax Credit Eligible Household” means a Transitioning Household that meets all of the criteria for occupying a Dwelling subject to a low income housing tax credit regulatory agreement, including maximum income limitations (generally not exceeding 60% of area median income).

“Tenant” means a Person who rents or is otherwise in lawful possession of a Dwelling, including a sleeping room, that is owned by another Person.

“Term Sheet Resolution” is defined in **Section I.A** (Background).

“The Villages” is defined in **Section I.A** (Background).

“TICD” is defined in **Section I.A** (Background).

“TIDA” is defined in **Section I.A** (Background).

“TIDA Board” is defined in **Section I.A** (Background).

“TIHDI” is defined in **Section I.A** (Background).

“Transition Benefits” is defined in **Section I.B** (Purpose).

“Transition Housing Rules and Regulations” is defined in **Section I.A** (Background).

“Transition Unit” is a newly-constructed Dwelling on Treasure Island that meets the standards of **Section V.B** (Standards Applicable to Transition Units).

“Transition Unit Option” means the benefit offered to Transitioning Households described in **Article V** (Description of Transition Unit Option).

"Transitioning Household" is defined in **Section II.A.** (Determination of Household Eligibility for Transition Benefits).

"Unit Purchase Assistance Option" means the Transition Benefit offered to Transitioning Households, described in **Article VII** (Description of Unit Purchase Assistance Option).

"Unlawful Occupancy" is defined in **Section II.A.1** (Determination of Household Eligibility for Transition Benefits).

"Utility Adjustment" means the amount by which rent for a Transition Unit will be adjusted downward to reflect any utilities that are not included in the rent of the Transition Unit, if the same utilities were included in the rent of the Existing Unit. The downward rent adjustment will be calculated according to the Utility Allowance Schedule.

"Utility Allowance Schedule" means the schedule published by the San Francisco Housing Authority to determine allowances for tenant-furnished utilities for Dwelling Units in the City. If the San Francisco Housing Authority publishes a Utility Allowance Schedule that includes allowances for energy efficient appliances or Dwelling Units, the energy efficient schedule will be used for the Utility Adjustment. For these Transition Housing Rules and Regulations, only allowances specifically allocated to electricity, natural gas, trash, water, and sewer, if applicable, will be considered.



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT D

EXHIBIT D-1 -COVER PAGE OF SEISMIC REPORT

EXHIBIT D-2 -COVER PAGE OF STRUCTURAL REPORT

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

**PHYSICAL CHARACTERISTICS,
BUILDING AND INFRASTRUCTURE CONDITIONS**

AUGUST 1995

PREPARED FOR:

The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:

ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.



City and County of San Francisco
San Francisco Redevelopment Agency

*Treasure Island Study
Seismic Evaluation of the
1400 Series Housing Buildings*

Prepared by

SOH & Associates, Structural Engineers
550 Kearny Street, Suite 200
San Francisco, CA 94108

May 22, 1996



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT E

NOTICE OF COMMENCEMENT DATE

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT F

CAPITAL BUDGET AND 1ST YEAR OPERATING BUDGET

THE VILLAGES AT TREASURE ISLAND
FY 2014-2015 Operating Budget
PREPARED BY THE JOHN STEWART COMPANY

		MONTHLY		ANNUAL	
PROJECT REVENUE					
Gross Income Potential					
5120	Rental Income - Tenant	\$	1,061,833	\$	12,742,000
5122	Housing Authority Income	\$	-	\$	-
5192	Insurance Claim Income	\$	-	\$	-
Total Gross Income Potential		\$	1,061,833	\$	12,742,000
Vacancies and Concessions					
5220	Vacancy-Residential	\$	-	\$	-
5250	Rental Concessions	\$	(833)	\$	(10,000)
5280	Vacancies Due To Relocation	\$	(165,083)	\$	(1,981,000)
Total Vacancies and Concessions		\$	(165,917)	\$	(1,991,000)
Financial Revenue					
5410	Interest Inc - Operating	\$	83	\$	1,000
5440	Interest Inc - Reserves	\$	167	\$	2,000
Total Financial Revenue		\$	250	\$	3,000
Other Income					
5912	Insurance Claim Reimbursement	\$	-	\$	-
5920	NSF & Late Charges	\$	1,667	\$	20,000
5930	Clean/Damage/Maintenance	\$	667	\$	8,000
5940	Public Records Fees	\$	1,250	\$	15,000
5990	Miscellaneous Income	\$	7,300	\$	87,600
Total Other Income		\$	10,883	\$	130,600
TOTAL REVENUE		\$	907,050	\$	10,884,600
PROJECT EXPENSES					
Marketing Expenses					
6210	Advertising	\$	2,083	\$	25,000
6215	Marketing Payroll	\$	3,333	\$	40,000
6250	Public Reports Fees	\$	1,250	\$	15,000
6270	Marketing Model Unit	\$	-	\$	-
Total Marketing Expenses		\$	6,667	\$	80,000

Administrative Expenses

6310	On-Site Administrative PR	\$	16,500	\$	198,000
6311	Office Expenses	\$	4,167	\$	50,000
6320	Management Fees	\$	31,855	\$	382,260
6326	Temporary Services	\$	2,083	\$	25,000
6330	Payroll - Manager	\$	7,038	\$	84,450
6331	Management Unit	\$	2,917	\$	35,000
6340	Legal/Mediation Expenses	\$	4,167	\$	50,000
6350	CPA/Audit Services	\$	1,375	\$	16,500
6360	Tel. & Answering Service	\$	3,750	\$	45,000
6370	Collection Loss	\$	4,333	\$	52,000
6385	Mileage/Travel	\$	300	\$	3,600
6390	Misc. Admin. Expenses	\$	1,250	\$	15,000
6392	Seminars / Training	\$	200	\$	2,400
6396	Computer Charges	\$	3,833	\$	46,000
6395	Prevailing Wage Certification	\$	1,000	\$	12,000
6398	Remediation Services	\$	1,000	\$	12,000
Total Administrative Expenses		\$	85,768	\$	1,029,210

Utilities

6450	Electricity	\$	153,000	\$	1,836,000
Total Utilities		\$	153,000	\$	1,836,000

Operating & Maintenance Expenses

6510	Payroll - Maintenance	\$	17,000	\$	204,000
6515	Janitorial Supplies	\$	1,000	\$	12,000
6517	Janitorial Contract	\$	1,583	\$	19,000
6519	Pest - Supp & Contracts	\$	1,667	\$	20,000
6519-010	Pest - Bed Bug Remediation	\$	417	\$	5,000
6521	Oper/Maint Rent Free Unit	\$	1,917	\$	23,000
6525	Garbage Removal	\$	26,000	\$	312,000
6530	Security PR / Contract	\$	31,917	\$	383,000
6532	Security Supplies	\$	1,667	\$	20,000
6533	Fire Protection Expenses	\$	417	\$	5,000
6534	Tree Maintenance	\$	2,000	\$	24,000
6537	Landscape Contracts	\$	49,000	\$	588,000
6540	Repairs Materials Environ	\$	250	\$	3,000
6541	Repairs Materials/Supp	\$	14,583	\$	175,000
6542	Repairs Contract	\$	4,000	\$	48,000
6543	Plumbing Maintenance	\$	5,000	\$	60,000
6544	Electrical Maintenance	\$	2,917	\$	35,000
6546	Heating/Cooling Repairs	\$	2,917	\$	35,000
6553	Appliance Repairs	\$	250	\$	3,000

6560	Deco/Painting Contract	\$	7,500	\$	90,000
6561	Deco/Painting Supplies	\$	2,500	\$	30,000
6570	Maint-Vehicle Ops/Repair	\$	2,000	\$	24,000
6573	Uniform/Laundry Service	\$	250	\$	3,000
6589	Maint-Common Area	\$	28,300	\$	339,600
6590	Micellaneous	\$	250	\$	3,000

Total Operating & Maintenance	\$	205,300	\$	2,463,600
--	-----------	----------------	-----------	------------------

Taxes and Insurance

6710	Real Estate Taxes	\$	6,583	\$	79,000
6711	Payroll Taxes	\$	5,417	\$	65,000
6720	Property Insurance	\$	14,583	\$	175,000
6721	Fidelity Bond	\$	258	\$	3,100
6722	Workers Comp.	\$	4,083	\$	49,000
6723	Health Ins. / EE Benefits	\$	6,625	\$	79,500
6723-010	401K Matching	\$	750	\$	9,000
6790	Misc.Licenses/Permits	\$	250	\$	3,000

Total Taxes and Insurance	\$	38,550	\$	462,600
----------------------------------	-----------	---------------	-----------	----------------

Financial Expense

6802	Insurance Claim Expense	\$	-	\$	-
6841	Interest on Security Deposits	\$	250	\$	3,000

Total Financial Expenses	\$	250	\$	3,000
---------------------------------	-----------	------------	-----------	--------------

Service Expense

6990	Community Center	\$	750	\$	9,000
6992	Recreational Supplies	\$	50	\$	600

Total Service Expenses	\$	800	\$	9,600
-------------------------------	-----------	------------	-----------	--------------

Corporate Expense

7140	Rent	\$	52,251	\$	627,013
7141	Rent-TIDA	\$	269,947	\$	3,239,364
7142	Rent-JSCO	\$	14,208	\$	170,493

Total Corporate Expenses	\$	336,406	\$	4,036,870
---------------------------------	-----------	----------------	-----------	------------------

TOTAL OPERATING EXPENSES	\$	826,740	\$	9,920,880
---------------------------------	-----------	----------------	-----------	------------------

NET INCOME	\$	80,310	\$	963,720
-------------------	-----------	---------------	-----------	----------------

Reserve Expenditures

7220	Appliance Replacements	\$	8,333	\$	100,000
------	------------------------	----	-------	----	---------

7230	Interior Replacements	\$	27,083	\$	325,000
7240	Exterior Replacements	\$	33,333	\$	400,000
<hr/>					
	Total Reserve Expenditures	\$	68,750	\$	825,000
<hr/>					
	Replacement Reserve Funding	\$	11,560	\$	138,720
	Supplemental Reserve Funding	\$	-	\$	-
	PROJECTED OPERATING SURPLUS	\$	-	\$	-

The Villages at Treasure Island - Treasure Island Units

Prepared by The John Stewart Company
June 5, 2014

Current Replacement Costs										Expenditures									
ITEM		TOTAL QUANT	UNIT	UNIT COST	PREVAL WAGE FACTOR	ADJUSTED UNIT COST	CURRENT REB COST	EST LIFE	EST LIFE 0										
FISCAL YEAR										1	2	3	4	5	6	7	8	9	10
APPLIANCE REPLACEMENT																			
Refrigerator	474 each	3	400		68	448	218,540	15 years		14,529	14,342	14,975	15,500	15,425	15,635	15,845	16,055	16,265	16,475
Freezer	474 each	3	500		81	513	261,510	15 years		18,388	18,217	18,852	19,375	19,295	19,505	19,715	19,925	20,135	20,345
Garbage disposal	474 each	3	150		22	173	61,765	5 years		4,088	4,150	4,212	4,275	4,338	4,400	4,463	4,525	4,588	4,650
Range hood fan	474 each	3	125		19	146	68,138	15 years		3,407	3,378	3,510	3,542	3,513	3,610	3,642	3,674	3,706	3,738
Bath tub	474 each	3	1,500		18	270	408,000	15 years		22,042	22,172	22,708	23,086	22,948	23,584	23,962	24,340	24,718	25,096
Bath tub	474 each	3	1,200		18	216	339,600	15 years		18,434	18,564	19,100	19,478	19,340	19,976	20,354	20,732	21,110	21,488
Water heater	474 each	3	1,500		22	330	510,000	15 years		28,367	28,592	29,227	29,582	29,444	30,079	30,434	30,789	31,144	31,499
Hydronic wall/bathbed heaters	474 each	3	400		60	460	425,440	25 years		17,000	17,257	17,515	17,773	17,815	18,043	18,271	18,500	18,728	18,957
Water pump	474 each	3	200		10	200	120,000	50 years		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Water pump	474 each	3	22,000		3,500	77,000	3,179,000			164,029	166,489	168,947	171,405	173,863	176,321	178,779	181,237	183,695	186,153
APPLIANCE REPLACEMENT TOTAL																			
INTERIOR REPAIR/RECENT																			
Refrigerator	474 each	3	400		60	460	1,006,500	10 years		54,326	55,141	55,956	56,769	57,580	58,395	59,209	60,024	60,838	61,653
Refrigerator	474 each	3	500		83	633	1,306,500	20 years		66,349	67,444	68,540	69,635	70,742	71,847	72,952	74,057	75,162	76,267
Refrigerator	474 each	3	2,400		300	2,760	1,308,400	20 years		32,708	33,497	33,889	34,280	34,718	35,156	35,594	36,032	36,470	36,908
Refrigerator	474 each	3	450		68	519	245,525	12 years		10,221	10,724	10,880	11,383	11,647	12,150	12,414	12,917	13,181	13,684
Refrigerator	474 each	3	250		38	288	330,025	20 years		47,334	48,144	48,785	49,426	50,067	50,708	51,349	51,990	52,631	53,272
Refrigerator	474 each	3	400		710	1,610	946,800	20 years		47,334	48,144	48,785	49,426	50,067	50,708	51,349	51,990	52,631	53,272
Refrigerator	474 each	3	500		83	633	1,306,500	15 years		56,349	56,844	57,339	57,834	58,329	58,824	59,319	59,814	60,309	60,804
Refrigerator	474 each	3	500		83	633	1,306,500	15 years		56,349	56,844	57,339	57,834	58,329	58,824	59,319	59,814	60,309	60,804
Refrigerator	474 each	3	450		68	519	245,525	15 years		12,565	12,449	12,633	12,817	13,001	13,185	13,369	13,553	13,737	13,921
Refrigerator	474 each	3	500		83	633	1,306,500	15 years		15,892	15,785	15,892	16,000	16,107	16,214	16,321	16,428	16,535	16,642
Refrigerator	474 each	3	50		8	58	138,515	7 years		3,860	4,019	4,070	4,141	4,205	4,272	4,340	4,408	4,476	4,544
INTERIOR REPLACEMENT TOTAL										318,730	320,466	323,472	326,478	329,485	332,491	335,497	338,503	341,509	344,515
EXTENSION REPLACEMENTS																			
Stairs glass doors (terrace)	474 each	3	1,500		200	1,555	735,855	30	0	24,530	24,897	25,271	25,650	26,035	26,424	26,817	27,214	27,615	28,019
Windows (terrace)	474 each	3	575		88	566	1,813,450	20	0	55,798	56,588	57,407	58,248	59,110	60,000	60,917	61,850	62,799	63,764
Refrigerator	474 each	3	450		68	519	1,800,000	20	0	42,437	43,133	43,835	44,553	45,286	46,034	46,796	47,572	48,361	49,162
Refrigerator	474 each	3	2,200		350	2,650	1,800,000	20	0	25,572	25,939	26,312	26,691	27,075	27,464	27,858	28,257	28,660	29,068
Refrigerator	474 each	3	1,200		0	1.38	81,547	7 years		11,692	11,868	12,045	12,227	12,410	12,596	12,785	12,976	13,169	13,364
Refrigerator	474 each	3	50		0	0.81	41,721	35 years		17,881	18,151	18,424	18,699	18,967	19,237	19,509	19,782	20,056	20,331
Refrigerator	474 each	3	3,000		3	3.45	110,778	35 years		9,900	9,950	10,001	10,052	10,103	10,154	10,205	10,256	10,307	10,358
EXTENSION REPLACEMENTS TOTAL										394,970	390,790	396,617	402,500	408,548	414,669	420,854	427,097	433,395	439,748
TOTAL REPLACEMENTS AND CAPITAL EXPENDITURES							\$ 15,306,697			\$ 864,734	\$ 877,705	\$ 890,871	\$ 904,234	\$ 917,790	\$ 931,105	\$ 944,595			
Less Total Maintenance and Capital Expenditures																			
Operating Supplies/Utilities																			
Annual Replacement Reserve Report																			
Prior Year's Reserve Balance																			
Annual interest																			
Funding Distribution (Expenditures)																			
Reserve balance per unit																			
Notes and Assumptions:																			
1. Assumes initial reserve balance of \$1,000,000																			
2. Assumes an earned interest rate on the reserve balance of 1.00%																			
3. Assumes an annual contribution/withdrawal rate of 1.00%																			
4. Assumes reserve contribution compounds annually at rate of 1.00%																			
5. Assumes reserve contribution compounds annually at rate of 1.00%																			
6. Assumes reserve contribution compounds annually at rate of 1.00%																			
7. Assumes reserve contribution compounds annually at rate of 1.00%																			
8. Number of units																			
9. Number of units																			
10. Number of units																			
11. Number of units																			
12. Number of units																			
13. Number of units																			
14. Number of units																			
15. Number of units																			
16. Number of units																			
17. Number of units																			
18. Number of units																			
19. Number of units																			
20. Number of units																			
21. Number of units																			
22. Number of units																			
23. Number of units																			
24. Number of units																			
25. Number of units																			
26. Number of units																			
27. Number of units																			
28. Number of units																			
29. Number of units																			
30. Number of units																			
31. Number of units																			
32. Number of units																			
33. Number of units																			
34. Number of units																			
35. Number of units																			
36. Number of units																			
37. Number of units																			
38. Number of units																			
39. Number of units																			
40. Number of units																			
41. Number of units																			
42. Number of units																			
43. Number of units																			
44. Number of units																			
45. Number of units																			
46. Number of units																			
47. Number of units																			
48. Number of units																			
49. Number of units																			
50. Number of units																			
51. Number of units																			
52. Number of units																			
53. Number of units																			
54. Number of units																			
55. Number of units																			
56. Number of units																			
57. Number of units																			
58. Number of units																			
59. Number of units																			
60. Number of units																			
61. Number of units																			
62. Number of units																			
63. Number of units																			
64. Number of units																			
65. Number of units																			
66. Number of units																			
67. Number of units																			
68. Number of units																			
69. Number of units																			
70. Number of units																			
71. Number of units																			
72. Number of units																			
73. Number of units																			
74. Number of units																			
75. Number of units																			
76. Number of units																			
77. Number of units																			
78. Number of units																			
79. Number of units																			
80. Number of units																			
81. Number of units																			
82. Number of units																			
83. Number of units																			
84. Number of units																			
85. Number of units																			
86. Number of units																			
87. Number of units																			
88. Number of units																			
89. Number of units																			
90. Number of units																			
91. Number of units																			
92. Number of units																			
93. Number of units																			
94. Number of units																			
95. Number of units																			
96. Number of units																			
97. Number of units																			
98. Number of units																			
99. Number of units																			
100. Number of units																			
101. Number of units																			
102. Number of units																			
103. Number of units																			
104. Number of units																			
105. Number of units																			
106. Number of units																			
107. Number of units																			
108. Number of units																			
109. Number of units																			
110. Number of units																			
111. Number of units																			
112. Number of units																			
113. Number of units																			
114. Number of units																			
115. Number of units																			
116. Number of units																			
117. Number of units																			
118. Number of units																			
119. Number of units																			
120. Number of units																			
121. Number of units																			
122. Number of units																			
123. Number of units																			
124. Number of units																			
125. Number of units																			
126. Number of units																			
127. Number of units																			
128. Number of units																			
129. Number of units																			
130. Number of units																			
131. Number of units																			
132. Number of units																			
133. Number of units																			
134. Number of units																			
135. Number of units																			
136. Number of units																			
137. Number of units																			
138. Number of units																			
139. Number of units																			
140. Number of units																			
141. Number of units																			
142. Number of units																			
143. Number of units																			
144. Number of units																			
145. Number of units																			
146. Number of units																			
147. Number of units																			
148. Number of units																			
149. Number of units																			
150. Number of units																			
151. Number of units																			
152. Number of units																			
153. Number of units																			
154. Number of units																			
155. Number of units																			
156. Number of units																			
157. Number of units																			
158. Number of units																			
159. Number of units																			
160. Number of units																			
161. Number of units																			
162. Number of units																			
163. Number of units																			
164. Number of units																			
165. Number of units																			
166. Number of units																			
167. Number of units																			
168. Number of units																			
169. Number of units																			
170. Number of units																			
171. Number of units																			
172. Number of units																			
173. Number of units																			
174. Number of units																			
175. Number of units																			
176. Number of units																			
177. Number of units																			
178. Number of units																			
179. Number of units																			
180. Number of units																			
181. Number of units																			
182. Number of units																			
183. Number of units																			
184. Number of units																			
185. Number of units																			
186. Number of units																			
187. Number of units																			
188. Number of units																			
189. Number of units																			
190. Number of units																			
191. Number of units																			
192. Number of units																			
193. Number of units																			
194. Number of units																			
195. Number of units																			
196. Number of units																			
197. Number of units																			
198. Number of units																			
199. Number of units																			
200. Number of units																			
201. Number of units																			
202. Number of units																			
203. Number of units																			
204. Number of units																			
205. Number of units																			
206. Number of units																			
207. Number of units																			
208. Number of units																			
209. Number of units																			
210. Number of units																			
211. Number of units																			
212. Number of units																			
213. Number of units																			
214. Number of units																			
215. Number of units																			
216. Number of units																			
217. Number of units																			
218. Number of units																			
219. Number of units																			
220. Number of units																			
221. Number of units																			
222. Number of units																			
223. Number of units																			
224. Number of units																			
225. Number of units																			
226. Number of units																			
227. Number of units																			
228. Number of units																			
229. Number of units																			
230. Number of units																			
231. Number of units																			
232. Number of units																			
233. Number of units																			
234. Number of units																			
235. Number of units																			
236. Number of units																			
237. Number of units																			
238. Number of units																			
239. Number of units																			
240. Number of units																			
241. Number of units																			
242. Number of units																			
243. Number of units																			
244. Number of units																			
245. Number of units																			
246. Number of units																			
247. Number of units																			
248. Number of units																			
249. Number of units																			
250. Number of units																			
251. Number of units																			
252. Number of units																			
253. Number of units																			
254. Number of units																			
255. Number of units																			
256. Number of units																			
257. Number of units																			
258. Number of units																			
259. Number of units																			
260. Number of units																			
261. Number of units																			
262. Number of units																			
263. Number of units																			
264. Number of units																			
265. Number of units																			
266. Number of units																			
267. Number of units																			
268. Number of units																			
269. Number of units																			
270. Number of units																			
271. Number of units																			
272. Number of units																			
273. Number of units																			
274. Number of units																			
275. Number of units																			
276. Number of units																			
277. Number of units																			
278. Number of units																			
279. Number of units																			
280. Number of units																			
281. Number of units																			
282. Number of units																			
283. Number of units																			
284. Number of units																			
285. Number of units																			
286. Number of units																			
287. Number of units																			
288. Number of units																			
289. Number of units																			
290. Number of units																			
291. Number of units																			
292. Number of units																			
293. Number of units																			
294. Number of units																			
295. Number of units																			
296. Number of units																			
297. Number of units																			
298. Number of units																			
299. Number of units																			
300. Number of units																			
301. Number of units																			
302. Number of units																			
303. Number of units																			
304. Number of units																			
305																			



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT G

FORM OF RENTAL AGREEMENT



**TREASURE ISLAND
YERBA BUENA ISLAND**

**RESIDENTIAL RENTAL AGREEMENT
[Post-DDA Tenants]**

I. PARTIES:

THIS RENTAL AGREEMENT is made on **6/3/2014** between:

Tenant A

Tenant B

(hereinafter singularly or collectively called "Tenant") and The John Stewart Company (hereinafter called "Landlord").

IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

II. DESCRIPTION:

The Landlord hereby leases to the Tenant and the Tenant hires from Landlord, on the terms and conditions hereinafter set forth, all the property situated in the City and County of San Francisco, State of California, described as follows, to wit: Apartment No. **1201-A at Bayside Dr.**, San Francisco, California 94130 (the "Premises").

III. TERM:

The term of this Rental Agreement shall be for a month-to-month basis beginning **1/1/2014** with rent payable @ **\$2000** per month.

Tenant may terminate this Rental Agreement as permitted by state law upon delivery of at least 30 days' prior written notice to Landlord in accordance with Section XX. Landlord may terminate this Rental Agreement in accordance with Section XXIV below.

Tenant hereby acknowledges that the Landlord is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this Rental Agreement. Notwithstanding anything in this Rental Agreement to the contrary, this Rental Agreement and Tenant's right to occupy the Premises shall terminate if the master lease between the Treasure Island Development Authority and the Navy terminates. Tenant further acknowledges that the residential use of the Premises is an interim use and the tenancy created under this Rental Agreement shall not be permanent.

IV. RENTS, LATE CHARGES, RETURNED CHECKS:

Rents: All rents are due and payable on or before the first day of each month in advance (the "Due Date"). All rents shall be paid at the office of the agent of the Landlord, or at such other place as may be

designated by the Landlord. All rent is to be paid on the first day of the month for the prospective rental period. All rents shall be paid by personal check, cashier's check or money order. No cash to be accepted.

Treasure Island and Yerba Buena Island will undergo a phased demolition of most of its existing structures and a phased reconstruction of structures that is expected to last for several years. The demolition and reconstruction will necessarily result in inconvenience, noise and other disturbances in and around the Premises and the project grounds. Tenant acknowledges that the rental rate has been determined and set by the parties with the understanding and agreement that construction will take place in and around the Premises during the course of this month to month tenancy and that Tenant may not seek a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

LATE CHARGES: Tenant and Landlord agree that Landlord will sustain costs and damage as a result of any late payment of rent but that it will be extremely difficult to determine with specificity the actual amount of that damage. Therefore, Tenant agrees to pay a late charge of \$100.00 for any payment of rent not received by Landlord within 5 calendar days of the Due Date. The Parties agree that this late charge represents a fair and reasonable estimate of the costs and damages that Landlord will incur by reason of late payment by Tenant. The provision for payment of a late charge does not constitute a grace period and Landlord may serve a 3-Day Notice to Pay Rent or Quit on the day after the Due Date.

RETURNED CHECKS: In the event that Tenant makes any payment required hereunder with a check which is not honored by the bank on which it is drawn for any reason, Tenant shall pay Landlord the additional sum of \$50.00 as a reimbursement of the expenses incurred by Landlord. A dishonored check shall constitute late payment of rent and shall be subject to the provisions of paragraph IV above regarding late charges. Such charges shall be immediately due and payable upon notice to Tenant. Failure to immediately pay the charges shall constitute a default under the terms of this Rental Agreement. If Tenant's check is returned by a bank for any reason, Tenant shall pay the rent and other charges required by this Rental Agreement by certified funds, cashier's check or money order for the next twelve months.

FAILURE TO PAY: Pursuant to Civil Code Section 1785.26, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations, such as your financial obligations under the terms of this Agreement.

V. EACH TENANT'S INDIVIDUAL LIABILITY:

Each person who signs this Rental Agreement as a Tenant, is jointly and severally responsible for the performance of their obligations under this Rental Agreement, including the payment of the entire monthly rent and for any damages to the Premises until such time as the tenancy in its entirety is terminated and the Premises relinquished vacant to the Landlord, regardless of whether the named Tenant occupies the Premises. In the event Tenant pays the monthly rent with separate checks, Tenant, and each of them, remains jointly and severally obligated for the payment of the entire monthly rent for the Premises.

VI. ASSIGNMENT:

Tenant may not assign this Rental Agreement or sublet the whole or any portion of the Premises without

obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole and absolute discretion. No person other than the named Tenant shall be permitted to regularly or continuously use or occupy the Premises unless all of the following conditions are met: (1) Tenant notifies Landlord in writing, signed by every Tenant, stating a request to have a new person occupy the Premises as a co-tenant; (2) said prospective occupant completes and gives the Landlord a completed Landlord's rental application; (3) prospective occupant shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's prospective occupant signs Landlord's Co-Tenancy Acknowledgment form or an Addendum to the Residential Lease/Rental Agreement including the Notice and Acknowledgment, as applicable. In the event that the Landlord consents to any co-tenancy, it is hereby agreed that 1) Tenant may not charge more to the co-tenant(s) than that proportional share of the rent which is being charged by and paid to Landlord, and 2) the co-tenant will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations approved by the Treasure Island Development Authority Board of Directors on April 21, 2011 and the San Francisco Board of Supervisors on June 28, 2011 (as amended from time to time, the "Transition Housing Rules and Regulations"). A person shall be considered to be regularly or continuously using or occupying the Premises if the person stays overnight in the Premises for more than 30 days in any calendar year.

No action or inaction or acceptance of rent or knowledge on the part of the Landlord shall be deemed to be a waiver of the provision of this Paragraph on the part of the Landlord and shall not be deemed an approval of any person as a "subtenant" or "co-tenant" for any purpose.

VII. DEFAULT:

Tenant's failure to pay rent or other charges when due or the failure to comply with the covenants or conditions of this Rental Agreement and its addendums, including but not limited to, the house rules, constitutes a default and the Landlord may seek any remedy available in law or equity including the recovery of possession of the Premises.

VIII. USE AND OCCUPANCY:

The Tenant shall occupy the Premises and shall keep the Premises in good condition including such improvements as may be made thereon hereafter, with usual wear and tear excepted, and shall not make any alterations, install locks or locking mechanisms, paint, or wallpaper without the prior written consent of the Landlord. Tenant shall not commit or suffer to be committed any waste upon the Premises. Tenant agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or guest. Tenant shall not access or enter any parts or portions of the Premises or common areas locked, sealed or closed off by Landlord. Tenant shall not change, alter or modify the electrical service including the electrical circuit box to the Premises for any reason.

The Premises are rented to the Tenant for use as a principal, full time residential dwelling only. Tenant shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the Premises are hereby rented. Occupancy of the Premises is limited to those persons named in this Rental Agreement.

Minor Children Reaching Age of Majority: At the time a minor child occupying the Premises reaches the age of majority (18 years of age), Tenant shall (1) Request in writing that the child be identified as a tenant

and added as a co-tenant to the Rental Agreement; (2) Tenant's child shall complete and deliver to Landlord a completed Landlord's rental application; (3) Tenant's child shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's child shall sign a Rental Agreement or Addendum as required by Landlord within five (5) days of Landlord's written request including the Notice and Acknowledgment. The Tenant's child will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations.

No person other than a Tenant or approved occupant may receive mail or use the address of the Premises for any purpose or designate the address of the Premises with any governmental agency or department including but not limited to, the Department of Motor Vehicles or the Department of Corrections.

Tenant shall comply with all governmental laws and ordinances.

IX. TENANT/LANDLORD:

The Tenant hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. The amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

X. NUISANCE:

Tenant shall not commit, nor permit to be committed nuisance, upon, in or about the Premises or the project grounds, nor shall Tenant create or permit a substantial interference with the comfort, safety, or enjoyment of other tenants. Tenant shall not interfere with Landlord's management of the project. Although a single incident may constitute a nuisance or substantial interference with other tenants, three complaints against Tenant, Tenant's visitors or household in any twelve month period shall create a presumption of a nuisance and/or substantial interference with other tenants and/or with Landlord's management of the project. Tenant shall not engage in, or permit any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any other resident to the quiet enjoyment of the Premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stairways, and other public passages shall not be obstructed by the Tenant or their visitors. Persons will not be permitted to run or play on balconies or stairways. Tenant agrees to place garbage and refuse inside the containers provided therefore.

Drug Free Environment: Tenant and Tenant's household and visitors shall not engage in any drug related criminal activity on or near the Premises or project grounds. Drug related criminal activity means the illegal manufacture, production, sale, distribution, use or possession with intent to manufacture, produce, sell, distribute, or use of controlled substances (as defined in Section 102 of the Controlled Substances Act - 21 U.S.C. 802).

XI. MAINTENANCE:

A. The Landlord agrees to:

1. Regularly clean all common areas of the project;

2. Maintain the common areas and facilities in a safe condition;
3. Arrange for collection and removal of trash and garbage;
4. Maintain all equipment and appliances in a safe and working order;
5. Make necessary repairs with reasonable promptness;
6. Maintain exterior lighting in good working order;
7. Provide extermination services as necessary;
8. Maintain the grounds.

B. The Tenant shall:

1. Keep the Premises clean, safe, and sanitary;
2. Use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended;
3. Not litter the grounds or common areas of the project;
4. Not destroy, deface, damage, or remove any part of the unit, common areas or project grounds;
5. Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the Premises or related facilities;
6. Remove garbage and other waste from the unit in a clean and safe manner as instructed by Landlord. Trash pickup procedures vary depending upon location and may be amended from time to time;
7. Not engage in or permit unlawful activities in the Premises, in the common areas, or on the project grounds; and
8. Be responsible for compliance with all applicable laws and ordinances and house rules by Tenant's household members and Tenant's visitors.

XII. NOTICES:

Tenant shall comply with House Rules which Landlord has, or may from time to time, furnish Tenant or post conspicuously on the Premises. The Tenant by affixing his or her signature below acknowledges the receipt of a copy of the House Rules.

XIII. HOLD HARMLESS:

Tenant hereby waives all claims against Landlord for damages to property or injuries to persons, including Tenant, in or about the Premises; and Tenant will hold Landlord harmless from any damage or injury to persons or property arising from the use of the Premises by Tenant. Tenant may not seek compensation or a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

XIV. LEGAL FEES:

In an unlawful detainer action to recover possession of the Premises, the total costs including attorney's fees to the prevailing party shall be limited to \$1500. In the event of any OTHER legal action between the parties, any statutory recovery of attorney's fees and costs shall be limited to \$2500 to the prevailing party.

XV. NO WAIVER OF ANY TERMS OR PRECEDING DEFAULTS:

No failure of Landlord to enforce any term of this Rental Agreement will be deemed a waiver of that term or of any other term of the Agreement. The waiver by Landlord of any term of this Rental Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term of this Rental Agreement, nor will any custom or practice which may develop between the parties be construed to waive the right of Landlord to require performance by Tenant of all the provisions of this Rental Agreement, or support a claim of detrimental reliance by Tenant and Landlord shall not be estopped from enforcing any term of this Rental Agreement. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach, violation or default by Tenant of any term of this Rental Agreement regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of a partial payment of rent will not constitute a waiver of Landlord's right to the full amount due nor will it constitute a modification to this Rental Agreement unless such modification is in writing and signed by the parties.

XVI. SURRENDER CONDITION:

At the expiration of said term, or the sooner termination thereof, the Tenant shall peacefully quit and surrender possession of said Premises in as good condition as reasonable use and wear thereof permit.

XVII. DEPOSIT FEES:

Tenant agrees to deposit with the Landlord, on or before occupancy, the sum of **\$1000** as security deposit. This sum shall be held by the Landlord as security for the faithful performances by the Tenant of the terms, covenants and conditions of this Rental Agreement by Tenant to be kept and performed during the term hereof. In the event of the failure of Tenant to keep and perform all of the terms covenants, and conditions of this Rental Agreement, then, at the option of the Landlord, said Landlord may appropriate and apply said deposit, or so much thereof determined by Landlord to be due to such breach on the part of Tenant. Should Tenant comply with all of said terms, covenants, and conditions and promptly pay the entire rental herein provided for as it falls due, and all other sums payable by Tenant occupancy, Landlord

shall refund Tenant's Security Deposit in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT. If any portion of the Security Deposit is applied by Landlord to any obligations of Tenant at any time during the tenancy, Tenant must, upon 5 days written notice, replenish the Security Deposit to its full original amount. Landlord is not obligated to apply Tenant's Security Deposit to any accrued unpaid rent and may demand payment of the rent from Tenant when due

XVIII. LEGAL NOTICE:

All notices to be given to Tenant shall be in writing and served as required by law and addressed to Tenant at the Premises, whether or not Tenant has departed from, vacated, or abandoned the Premises.

XIX. INSPECTION:

The Landlord, its agent and/or employees may enter the Premises at reasonable times to inspect, clean, repair, or show the Premises to prospective tenants, purchasers or lending institutions. The Tenant agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the Premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Landlord. Landlord will provide 24 hours notice of intent to enter unit except in emergency, when Landlord may enter immediately. Landlord is to leave notice to Tenant that Landlord entered the unit.

Landlord shall make an annual inspection of the Premises and all facilities and units. Landlord shall designate a day when such inspection shall take place at the Premises and notify Tenant at least two days prior thereto. Tenant shall permit Landlord's annual inspection of the Premises to take place and the failure to do so constitutes a breach of this covenant.

XX. TENANT'S NOTICE TO TERMINATE AND VACATE:

Tenant shall give Landlord a thirty (30) day, or as required by law, written notice of the Tenant's intention to terminate Tenant's tenancy and vacate the Premises. Any deposits that the Tenant may have on deposit with the Landlord are not to be considered the Last Month's rent. Landlord shall refund and/or account for the security deposits in the time permitted by law after the Premises are vacated by all occupants.

XXI. UTILITIES:

Landlord will provide for utilities water, sewer, electricity, gas and garbage removal. Tenant shall be responsible for all other utilities and services for the Premises including but not limited to, cable, internet, and telephone.

XXII. HAZARDOUS MATERIALS:

Tenant shall not store or permit storage of any hazardous materials on or around the Premises and will not cause materials to be released anywhere on or near the Premises or the project grounds.

XXIII. ACKNOWLEDGMENT OF INAPPLICABILITY of Chapter 37 of the San Francisco

**Administrative Code - the San Francisco Residential Rent Stabilization and Arbitration Ordinance
No. 276-79 (hereinafter called "the Ordinance"):**

Tenant hereby acknowledges and agrees that because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance including its rent control provisions and its "just cause" requirements. Tenant further acknowledges and agrees that nothing herein shall impose the jurisdiction of the Ordinance on this Rental Agreement, nor is it intended to imply that any rules, policies or precedents of the Ordinance apply to this Rental Agreement.

XXIV. TERMINATION OF TENANCY AND OR RECOVERY OF POSSESSION BY LANDLORD:

Landlord may terminate the month-to-month tenancy under this Rental Agreement in accordance with applicable law if Tenant is in default under any provision of this Rental Agreement. Landlord may recover possession following Tenant's Termination of Tenancy in accordance with applicable law. In addition, Landlord may terminate the month-to-month tenancy under this Rental Agreement for any reason whatsoever by giving Tenant a thirty (30) day, or as required by law, written notice of termination of Tenant's tenancy.

XXV. INSURANCE:

Landlord's insurance does NOT provide for coverage of Tenant's personal belongings or personal liability unless as a direct and proximate result of Landlord's negligence. Therefore, Landlord strongly urges and recommends to each Tenant that Tenant secure sufficient insurance to protect against losses such as fire, flood, theft, vandalism, personal injury or other casualty.

XXVI. PETS:

NO pets, dogs, cats, birds or other animals are allowed in or about the Premises, even temporarily or with a visiting guest, without prior written consent of Landlord, excepting service animal(s) as required by law. Any such consent is conditioned upon Tenant completing and signing Landlord's Pet Agreement which shall become part of this Agreement. Strays shall not be kept or fed in or about the Premises. Strays can be dangerous and Landlord must be notified immediately of any strays in or about the Premises. If a pet has been in a Tenant's apartment or allowed into the building, even temporarily (with or without Landlord's permission) Tenant may be charged for cleaning, de-fleaing, deodorizing or shampooing any portion of the building or Premises at the discretion of Landlord.

XXVII. AUTHORIZED OCCUPANTS

Name Tenant A

Name Tenant B

Name _____

Name _____

IN WITNESS WHEREOF, the Landlord and the Tenant have executed this Rental Agreement as of the date and year first above written.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator

(Date)

TENANT (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

THE VILLAGES AT TREASURE ISLAND
HOUSE RULES

The Community – The exercise of common sense and consideration for others should be the only rule necessary to ensure your personal comfort and enjoyment of apartment living; however, in order for Landlord or its property manager ("management") to fully protect your rights and property against the occasional offender, the following Rules and Regulations ("House Rules") exist:

1. **Maintenance** - Tenant shall immediately inform the rental office (the designated maintenance person) of any need of maintenance repair so that work can be done promptly. Light bulbs shall be furnished to the unit upon occupancy and Tenant shall replace bulbs thereafter. Tenant shall be charged the repair cost of stoppage of any sewer caused by the resident's negligence and any other damage as provided under the Rental Agreement. Any reimbursement shall be made within 30 days of billing. All electrical appliances for food preparation must be inspected by the management for safety and fire protection standards before their use in the unit. Walls may not be painted or wallpapered, nor may they be drilled into to hang book shelves or heavy paintings or mirrors. All pictures shall be hung by the use of brads or finishing nails. Due to weight limitations, no electrical fixtures or hanging objects such as plants, etc., can be suspended from the ceiling without prior permission of the management. Window coverings are provided. No additional draperies can be added except as approved by management.
2. **Landscaping** – Existing landscaping and grounds will be maintained by management in the front of all units. Tenant is not permitted to plant or in any way alter the existing landscaping because there may be pockets of debris left over from previous construction activity on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards. Backyard maintenance is the responsibility of the Tenant.
3. **Pesticides/Herbicides** – The use of pesticides or herbicides is prohibited.
4. **Environment** – Tenant and their guests shall not commit or suffer to be committed any waste upon said Premises, and nuisance or any other act which may disturb the quiet enjoyment of any resident. Public areas shall not be defaced and no littering shall be permitted. No articles of clothing or other materials are to be left to dry or hang in publicly exposed areas other than a clothing line in an enclosed backyard.
5. **Parking** – The Parking Agreement applies to Tenant and Tenant's household and must be complied with at all times.
6. **Automobiles** - We encourage walking, bicycling and carpooling. Please limit the use of your car while on the Island. All Tenants owning vehicles which will be parked on the Island will be required to execute a Parking Agreement.
7. **Resident Responsibility** - The management wishes that Tenant makes full use of the many facilities provided to them throughout the Villages at Treasure Island and to consider these premises as their home. In turn, Tenants are reminded that they have a corresponding responsibility for keeping their home as neat and attractive a place to live as possible.

8. **Keys** - Each resident will be provided with one set of keys which must be returned upon vacating the Premises. A \$75.00 charge will be assessed if keys are lost or not returned at move-out. Additional keys will be provided by management if requested and appropriate.
9. **Lock-Out Service** - The management does not provide after hours lock-out service. In the event you are locked out of your unit we recommend you call a licensed locksmith. The cost of the locksmith will be your responsibility. Should you require a change in the lock set you must immediately provide a key to the leasing office.
10. **Office Hours** - Normal office hours to receive rents and to transact other office business is posted on the office door. Tenants are admitted to the office to conduct business only and for no other purpose.
11. **Cleaning and Condition of the Unit** - Landlord agrees to provide Tenant with a unit properly cleaned and in good condition. Tenant shall be responsible for maintaining the neat appearance of their homes; and no home may be so filled with furniture and personal items as to constitute a fire or safety hazard in the judgment of Landlord. Tenant shall maintain the Premises in a safe and sanitary condition. Tenant shall not store, place or maintain personal property outside of the Premises. Tenant shall not affix, post, hang or display any personal property, including but not limited to, wind chimes, signs, statuary on the exterior of the Premises without the prior written consent of Landlord.
12. **Safety and Unit Condition** - Landlord shall perform an annual inspection of all project facilities and units, and other inspections as needed of all units and appliances for safety and fire prevention standards. Management shall designate a day or days when such inspection shall be made and so notify the Tenants at least three days prior thereto.
13. **Oxygen Therapy or Usage** - Any Tenant or their visitors utilizing oxygen within his/her unit or the project grounds of The Villages at Treasure Island must adhere to the safety precautions listed in the usage booklet provided with the oxygen tank. Three areas which we emphasize are: (1) smoking or open flame are not permitted within the apartment; (2) store oxygen units away from heat; (3) keep the units away from all flammable materials such as grease, oil hair lubricants, Vaseline, hand lotions, and aerosol sprays. In addition persons using oxygen must inform the office so that management can review the oxygen policy with the resident.
14. **Trash** - Tenant may not place a trash receptacle (a trash can) on the sidewalk, street, or public right-of-way until after the hour of 6:00 p.m. of the day immediately prior to the day of trash collection. Within 24 hours of placing a trash receptacle (a trash can) for collection and after the contents of the trash receptacle have been collected, Tenant shall remove the trash receptacle from the sidewalk, street or other public right-of-way and return the trash receptacle to the designated enclosure area for that Tenant's receptacle.
15. **Recycling** - In an effort to promote conservation we require all households to participate in the recycling program. You will be provided with necessary receptacles for separation of products and required to place containers on the curb on the designated pick-up day.

16. **Balconies and Patios** – Balconies and patios are not to be used for storage of personal belongings. This includes but is not limited to: boxes, brooms, mops, bicycles, garbage, debris, buckets, recycling, etc. The installation of screening on the balcony is prohibited. Only patio furniture, in good usable condition, may be kept on the balcony. Storage and use of barbecues is prohibited on the balcony.
17. **Firearms and fireworks** – Tenant shall not possess, store, use, or maintain firearms or any other object capable of firing a projectile, ammunition, explosives or fireworks in the Premises or on the project grounds.
18. **Quiet Hours** – Please respect your neighbors' right to a quiet environment. We ask that stereos, televisions and other activities be at reasonable levels at all times so as not to disturb others. Tenant must observe quiet hours between 10:00 p.m. and 7:00 a.m.
19. **Guest** - Tenant may have guests on the Premises up to thirty (30) days in a calendar year without Landlord's prior written consent. If guests are staying longer, prior written consent from management is required. A Tenant permitting guest(s) or unauthorized occupant(s) for a longer period without consent shall be considered subletting; which constitutes a violation of the rental agreement and a basis for termination. Tenant is responsible for the conduct of any person(s) visiting them on the Island.
20. **Common Area Use** - Tenant shall not use the common areas or project grounds for any gatherings or other functions. Tenant shall not place, install or use any equipment in the common areas or project grounds including but not limited to inflatable houses, slides or structures, catering equipment, and/or audio-visual equipment.
21. **Changes in House Rules** - Landlord reserves the right to rescind or change any of the foregoing rules and to make such other rules and regulations from time to time as may be deemed needful for the safety, care and cleanliness of the community. The rule(s) will be formally submitted to all Tenants in writing and shall become effective thirty (30) days following the date of delivery.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator

Date

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s), (all persons 18 years of age and older must sign)

By: _____

Date

By: _____

Date

By: _____

Date

By: _____

Date

THE VILLAGES AT TREASURE ISLAND
PROPERTY DISCLOSURE

Introduction: The residential unit you have or are planning to lease is located on Former Naval Station Treasure Island ("Treasure Island"). Treasure Island is still owned by the United States Navy, but local and state laws have granted to the Treasure Island Development Authority (the "Authority") jurisdiction over the planning, redevelopment, and conversion of Treasure Island for the public benefit of the City and County of San Francisco.

The Navy formally ceased operation Treasure Island in October of 1997, but had already begun downsizing its operation years earlier. As a result, the Authority, working with the City's Public Utilities Commission and certain other basic service providers (i.e., telephone, garbage, cable) has had to address a number of issues caused by the deferral of maintenance and repair of Treasure Island's infrastructure.

In addition, as described further below, the Navy is obligated under federal and state law to remediate hazardous materials prior to transferring Treasure Island to the Authority. Thus, you may notice certain continuing clean-up operations by the Navy's contractors on Treasure Island. State and federal EPA are involved in overseeing those clean-up efforts.

Also, as described further below, Treasure Island is subject to certain seismic hazards, which the Authority required the John Stewart Company to address as a precondition of residential leasing.

What follows below is a brief summary of some of the service and infrastructure issues affecting Treasure Island. Where available, reference is made to appropriate contact persons or more detailed source materials, which you may review.

I. BASIC SERVICES

Cable Television Services - The Authority approved a contract with COMCAST CABLE AND INTERNET SERVICES to provide cable and internet services to the residential housing units on Treasure Island. Questions or concerns regarding cable and internet services can be answered directly by Comcast Cable and Internet Services 1-800-266-2278 or the City's Department of Telecommunication and Information Services at (415) 554-0802, or the Leasing Office at (415) 834-0211.

Telephone Services - AT&T owns and operates the residential phone line system on Treasure Island. Questions or concerns regarding telephone service at Treasure Island should be directed to AT&T at 1-800-331-0500 or the Leasing Office at (415) 834-0211.

Garbage - Garbage and recycling services on Treasure Island are performed by Golden Gate Disposal, as is the case with much of the rest of San Francisco. Questions or concerns regarding garbage service at Treasure Island should be directed to the Leasing Office at (415) 834-0211.

Utilities - Under a contractual agreement with the Navy, utility services (water, sewer, electric, and gas) are either directly provided or overseen by the San Francisco Public Utilities Commission. (Electrical power is provided by the PUC and gas service is provided by PG & E, but the PUC provides principal maintenance and repair services for all on-island utility infrastructure.)

II. SEISMIC ISSUES

Treasure Island and the Treasure Island Causeway are within a State of California seismic hazard zone for potentially liquefiable soils, and parts of the Yerba Buena Island perimeter slopes are within a State of California seismic hazard zone for earthquake induced landslides, Seismic Hazard Zone Report 043, CCSF. A geotechnical study for Treasure Island conducted on behalf of the Authority found that the top 30 to 50 feet of soil at Treasure Island is susceptible to liquefaction and lateral spreading during major earthquakes and subsequently to permanent settlement.

As part of the conversion to civilian residential re-use, the City and County of San Francisco and the Authority directed that all housing construction be evaluated in accordance with the U.S. Government Federal Emergency Management Agency (FEMA) Seismic Standard 178 entitled NEHRP (National Earthquake Hazard Reduction Program) handbook for the Seismic Evaluation of Existing Buildings. Per agreement with the City and County San Francisco Department of Building Inspection, those buildings which were evaluated to not be in conformance with the life-safety standards established in FEMA-178 were retrofitted to conform to the seismic requirements of the City and County of San Francisco Building Code prior to occupancy.

Based upon the evaluation and certification by structural engineers engaged by the John Stewart Company and concurring evaluation and certification by structural engineers engaged by the City and County of San Francisco, it is expected that upon completion of all required seismic retrofit, all residential buildings on Treasure Island and Yerba Buena Island met or exceeded the life safety level of performances specified in FEMA -178. While liquefaction, lateral spreading and / or consolidation of the underlying soils can be expected in a major earthquake, it is the professional opinion of the structural engineers that while some structural damage may occur, there is a very low probability that the damage would result in injury to occupants, and the expectation of the engineers is that the buildings will provide a satisfactory level of life safety performance. However, a major seismic event may affect other portions of Treasure Island (such as the causeway to the Bay Bridge), and could, among other things, impact ready access to and from Treasure Island.

A complete copy of the geotechnical reports and evaluations of the Structural Engineers are available for review with the Authority at their offices on the Second Floor of Building 1 on Treasure Island and in the John Stewart Company's Marketing and Management Office.

III. ENVIRONMENTAL ISSUES

A. Building Conditions

Lead-Based paint - Similar to most residential buildings constructed prior to 1978, interior and exterior painted woodwork at residential buildings (other than the 1400 Series Housing) contain lead-based paint. The Navy has maintained the lead-based paint in place in accordance with applicable environmental standards. The current condition of the paint is designated as intact (that is, not subject to flaking or peeling by casual contact). A copy of the pamphlet entitled: "Protect Your Family from Lead in Your Home" is available. Disturbance of painted woodwork by tenants must be performed in accordance with the Treasure Island "Operation & Maintenance Program for Lead-Based Paint." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

Asbestos Containing Material (ACM) - Similar to most residential buildings constructed in 1960's, residential buildings on Treasure Island / Yerba Buena Island (except the 1400 Series Housing) contain asbestos containing materials (ACM). A complete inventory of ACMs in residential buildings is available for review in the Treasure Island Development Authority's office. Disturbance of ACM by tenants must be done in accordance with the Treasure Island "Operation & Maintenance Program for Asbestos Containing Materials." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

B. Ongoing Environmental Remediation by the United States Navy

The United States Navy (Navy) is the lead agency responsible for conducting the environmental restoration program to investigate and remediate hazardous substances at the former Naval Station Treasure Island (NSTI). The Navy is conducting the environmental cleanup program at former NSTI under the United States Department of Defense Installation Restoration Program. The California Department of Toxic Substances Control (DTSC), within the California Environmental Protection Agency, is the lead regulatory agency overseeing the Navy's environmental cleanup program. DTSC is supported by the California Department of Public Health (CDPH), and the Regional Water Quality Control Board, San Francisco Bay Region. The United States Environmental Protection Agency provides federal environmental oversight.

In November 1998, the Navy issued a finding (referred to as a Finding of Suitability to Lease, or FOSL) confirming that the residential buildings currently being offered for lease are suitable for residential use and occupancy under lease. The Navy is continuing certain investigation and remediation activities related to the environmental cleanup of NSTI. Upon completion of required remediation activities for identified parcels the Navy will issue a finding (referred to as a Finding of Suitability to Transfer, or FOST) confirming that the identified parcel is suitable for transfer under applicable law. These findings will be made over time, as individual parcels receive regulatory clearance.

Pursuant to the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Navy is conducting a Remedial Investigation and concurrent Removal Actions at CERCLA Site 12, which includes the current housing areas and portions of the future housing areas on Treasure Island (See attached "Figure 1, CERCLA Sites, Petroleum Sites and Transfer Parcels" from the Navy's 2012 Site Management Plan, Naval Station Treasure Island, San Francisco, California). Investigations continue within Site 12, and the Navy may be required to take further remedial actions to address radiological or other contamination in the event it is discovered. The Navy is required to perform these investigations and any remedial actions in compliance with all applicable health and safety laws. To the extent possible, the Navy will seek to minimize any disturbance or inconvenience to tenants when performing such work within or around Site 12. All residential tenants must accommodate any Navy request to allow investigations and remediation of any area within NSTI, including areas within leased premises.

Contaminants of concern in the soil in Site 12 include Polychlorinated Biphenyls (PCBs), Polycyclic Aromatic Hydrocarbons (PAHs), Dioxins, Petroleum Hydrocarbons, Radium-226, Lead, Copper, Iron, Antimony, Chromium, and Arsenic. Soil containing some of these contaminants above background levels or screening values has been detected in portions of the housing areas in Site 12. Soil containing contaminants above background levels or screening values does not indicate whether or not there is a risk, it just indicates that the contaminants are present. Navy documents, that are available to the public, evaluate the level of risk. While the Navy has removed some soil containing these chemicals in portions of the housing areas in Site 12, the Navy's investigations are ongoing. These investigations will determine and inform the need for potential further actions by the Navy. As such, House Rule #2 of this Residential Rental Agreement states: "Tenant is not permitted to plant or in any way alter the existing landscaping because there may be contaminants from previous Navy activities on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards."

TIDA maintains a more detailed summary of the Navy's investigation and remediation activities in its offices on the second floor of Building 1 on NSTI. TIDA also maintains records of other important background information, including the types of hazardous substances found and the Navy's projected schedules for completion of their environmental cleanup. These materials are available for review upon request during normal business hours. TIDA updates these materials periodically to track changes in the Navy's progress. Upon request, TIDA will also make available one of its expert consultants to help answer questions.

In addition, the Navy established a Restoration Advisory Board (RAB) with members from Treasure Island and the general public. The RAB meets regularly to review and provide opportunities for the public to have input on the Navy's cleanup program. The RAB meets every other month on the 3rd Tuesday at 7:00 pm on NSTI. All members of the public are welcome to attend. TIDA and the John Stewart Company provide all Treasure Island residents with periodic updates regarding the Navy's cleanup program as information is made available.

I Have read and understand this disclosure regarding certain conditions on Treasure Island and Yerba Buena Island.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____	Date _____
By: _____	Date _____
By: _____	Date _____
By: _____	Date _____

NOTICE AND ACKNOWLEDGMENT

Treasure Island and Yerba Buena Island, in the City and County of San Francisco, California, will be developed in the future in accordance with various project approvals granted by the Treasure Island Development Authority ("Authority") and the San Francisco Board of Supervisors in April and June 2011, including a Disposition and Development Agreement ("TICD DDA") between the Authority and Treasure Island Community Development, LLC, dated as of June 28, 2011, which provides for the development of Treasure Island and Yerba Buena Island (the "Project"). The effective date of the TICD DDA is July 14, 2011 (the "DDA Effective Date"). The Authority also approved, and in connection with its approval of the TICD DDA the Board of Supervisors ratified, the Transition Housing Rules and Regulations for the Villages at Treasure Island ("Transition Housing Rules and Regulations") that provide for a package of benefits to "Transitioning Households" as defined in the Transition Housing Rules and Regulations. Copies of all the project approvals, including the TICD DDA and the Transition Housing Rules and Regulations, are posted on the Authority's website at www.sftreasureisland.org.

This notice is to inform you of the following information before you enter into any lease or rental agreement and occupy a residential unit at Treasure Island/Yerba Buena Island:

1. That the unit will be available only for an interim period pending development of the Project in accordance with the TICD DDA;
2. That your occupancy is on an month-to-month interim nonpermanent basis and that at some point in the future, as a result of the Project, you will be required to move.
3. That because your occupancy commenced after the Authority acquired a leasehold interest in the property located at Treasure Island/Yerba Buena, you will not be eligible for relocation benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA"), or California Government Code Section 7260 et seq. and its implementing regulations located at California Code of Regulations, Title 25, Division 1 Chapter 6 (collectively, "Section 7260") if you are asked to move because of the Project.
4. That the projected date that your unit is expected to be vacated and demolished for development of the Project is prior to June, 2014, but no sooner than January, 2013, if your unit is located on Yerba Buena Island, and between June, 2015 and June, 2020 if your unit is located on Treasure Island, provided, such date is subject to change depending on the Project construction schedule.
5. That, along with all other Tenants of the Villages at Treasure Island, you will receive periodic notices with updates regarding the progress of the Project, including any anticipated changes in the projected date that your unit is expected to be vacated and demolished.
6. That you will be provided at least ninety (90) days' prior written notice of the date by which you must vacate the unit if the notice to move is triggered by the Project.

7. That because you are entering into a rental agreement after the DDA Effective Date, you are a Post-DDA Tenant under the Transition Housing Rules and Regulations and no Post-DDA Tenant is eligible for transition housing benefits under the Transition Housing Rules and Regulations, but you will be offered transition advisory services when required to move.
8. You may be required to relocate temporarily and/or permanently.
9. You may be subject to a rent increase.

If you have to move or your rent is increased as a result of the Project or otherwise, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move.

Please read this notification carefully prior to signing a rental agreement and moving into a unit on Treasure Island or Yerba Buena Island. If you should have any questions about this notice, please call 415-554-6170 for more information. Once you have read and have understood this notice, please sign the statement below if you still desire to enter into your rental agreement.

This notice and acknowledgment must be signed and dated prior to entering into a rental agreement and occupying a unit on Treasure Island or Yerba Buena Island.

I have read the above prior to entering into my rental agreement for and occupying a unit at Treasure Island or Yerba Buena Island and I understand that I am a Post-DDA Tenant under the Transition Housing Rules and Regulations, and I will not be eligible for relocation benefits under the URA or Section 7260 or transition housing benefits under the Transition Housing Rules and Regulations.

Name: **Tenant A** Signature: _____ Date: _____

Name: **Tenant B** Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

Villages at Treasure Island representative signature:

X _____ Date: _____

THE VILLAGES AT TREASURE ISLAND
HAZARDOUS SUBSTANCE DISCLOSURE

This addendum is entered into with respect to that certain Rental Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

"WARNING: This apartment community contains asbestos, tobacco smoke and other substances known to the State of California to cause cancer and/or birth defects and other reproductive harm. Tobacco smoke may be present in the apartment community when persons in the apartment community smoke or otherwise use tobacco. Other hazardous substances are contained in some of the original building materials and in some of the products and materials used to maintain the property. Disturbance or damage to certain interior apartment surfaces may increase the potential for exposure of these substances."

Tenant(s) agrees for themselves, their guests and invitees, to comply with all rules and regulations as Landlord may from time to time prescribe in connection with Landlord's operations programs, including without limitation, asbestos operations and maintenance program, including without limitations the following:

- (a) Tenant(s) shall not take or allow any action which in any way disturbs or damages any part of the ceiling or loose tiles, such as drilling or boring of holes, hanging plants or other objects from the ceiling; painting or repairing the ceiling or any floor tiles; replacing smoke detectors or florescent lights located on the ceiling.
- (b) Tenant(s) shall notify Landlord immediately, and in writing if possible, if there is any water or other damage to or deterioration of the ceiling or any floor tiles in the Premises (including, without limitation, loose, cracking or hanging material or water stains or leaks).

Under no circumstances will compliance or performance of voluntary measures or any related alterations or removal or other abatement, management or monitoring of the asbestos and/or other substances relieve Tenant(s) obligations there under or under this Addendum, or constitute or be construed as a constructive or other eviction or Tenant(s) or interference with Tenant(s) right of quiet enjoyment of the Premises.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____

Administrator

Date

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

Date

By: _____

Date

By: _____

Date

By: _____

Date

THE VILLAGES AT TREASURE ISLAND
MOLD NOTIFICATION AGREEMENT

THIS AGREEMENT is made and entered into between The John Stewart Company, "Landlord", and
Tenant A **Tenant B**

"Tenant(s)".

Resident(s) is/are renting from Landlord the premises located at: 1201-A Bayside Dr., San Francisco, CA 94130.

It is the goal of the Landlord to maintain the highest quality of living environment for the Tenant of this property. Prior to your taking possession of the apartment listed above, and at the time of your move-in, the Landlord, or its authorized agent, has inspected the apartment and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident(s) is/are hereby notified that mold and mildew can grow on the surfaces in the apartment, it can cause mildew and mold to grow. It is important that Tenant regularly allow air to circulate in the apartment. It is also important that Tenant keep the interior of the apartment clean and that they promptly notify the Landlord, or its authorized agent, of any leaks, moisture problems and/or mold or mildew growth.

Tenant agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of mold or mildew. Tenant shall:

1. Keep the unit free of dirt and debris that can harbor mold or mildew.
2. Immediately report to the Landlord, or its authorized agent, any water intrusion such as plumbing leaks, drips or other moisture conditions.
3. Notify Landlord, or its authorized agent, of overflows from bathroom, kitchen or unit laundry facilities, especially in cases where the overflow may have penetrated the walls, cabinets, or flooring.
4. Report to the Landlord, or its authorized agent, any significant mold growth on surfaces inside the Premises.
5. Use bathroom exhaust fans while showering or bathing and report to the Landlord, or its authorized agent, immediately if the exhaust fan ceases to function properly.
6. Use exhaust fans whenever cooking, dishwashing, or cleaning.
7. Open bathroom windows (if applicable) while bathing, showering, or cleaning.
8. Use all reasonable care to close all windows and other opening in the Premises to prevent outdoor water from penetrating into the interior unit.

9. Clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold and mildew can grow on damp surfaces)
10. Notify the Landlord or its authorized agent, or any problems with air conditioning or heating systems.
11. Tenant hereby agrees to indemnify and hold harmless the Landlord/Management from any actions, claims, losses, damages and expenses, including, but not limited to, attorney's fees that the Landlord/Management may sustain or incur as a result of the negligence of the Tenant or any guest or other person living in, occupying or using the Premises.

By signing below, Tenant (s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator

(Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

THE VILLAGES AT TREASURE ISLAND
MEGAN'S LAW

Notice: The California Department of Justice, sheriff departments, and police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access, a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. Pursuant to Section 290.46 of the penal code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and zip code in which he or she resides.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

THE VILLAGES AT TREASURE ISLAND
PARKING AGREEMENT

PARKING SPACE #: 1201-A

TENANT NAME(S):

Tenant A

Tenant B

ADDRESS: 1201-A Bayside Dr., SAN FRANCISCO, CA 94130

I have read, understand and agree to the following:

- 1) As used in this Parking Agreement, "the property" shall be defined as The Villages at Treasure Island and the areas managed by Landlord.
- 2) Each residential unit has assigned parking space(s) at the property.
- 3) Vehicle(s) of the household must be registered with the Landlord and issued a parking permit.
- 4) To apply for and be issued a parking permit, a vehicle's current registration, the registered owner's driver's license, and proof of insurance must be presented and reviewed by Landlord.
- 5) Permits must be renewed annually, at which time current documents are required. Permit(s) renewal coincides with residential lease renewal.
- 6) Vehicles parking at the property, not only vehicles in assigned space(s), must be issued and display a valid parking permit.
- 7) All vehicles must be currently registered, fully functional and in operable condition. Inoperable conditions include but are not limited to: flat tires, broken taillights, broken windows, missing bumpers, missing rear view mirrors, missing license plates.
- 8) Each Tenant with a vehicle that meets the requirements in this parking agreement is entitled to one (1) parking permit. Tenants who own two (2) vehicles may receive an additional permit. In no instance will a Tenant be issued more than two (2) permits.
- 9) Visitor parking spaces are for the sole use of visitors. Tenant may not use visitor parking spaces.
- 10) Visitor parking at the property shall be no more than 72 hours over a consecutive seven day period.
- 11) Parking is permitted in designated areas only. Parking is prohibited on lawns, sidewalks, red zones, and any areas that impinge on ingress and egress to any part of the property grounds or property facilities. Parked vehicles can not block fire hydrants or interfere with emergency vehicles. Double parking is prohibited.

- 12) Parking at the property is for residential use only. Certain vehicle types are prohibited from parking at the property. Prohibited vehicle types include, but are not limited to:
- a) Recreational vehicles, including jet skis, boats, trailers, and mobile homes.
 - b) Commercial vehicles, including commercial vans, commercial trucks, promotional vehicles, cabs and limousines.
 - c) Oversized vehicles, including vehicles with multiple rear axels, in excess of 3500 lbs or in excess of 7 feet in height or 15 feet in length.
 - d) Other vehicles inconsistent with residential use at the property.
- 13) No vehicle maintenance, improvement, and/or repair activities are to be performed anywhere at the property.
- 14) Vehicles at the property must be free of fluid leaks, including oil, coolant, and other fluids. Tenants who own vehicles that cause leaks or spills are responsible for immediately cleaning the area and making necessary repairs to prevent any future leaks.
- 15) Car washing or maintenance of any kind is prohibited at the property.
- 16) Vehicles in violations of this parking agreement will be subject to towing at the Tenant's expense.
- 17) Landlord reserves the right to revoke parking permits, with or without cause.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

Tenant

(Date)

Tenant

(Date)

Tenant

(Date)

Tenant

(Date)

Vehicle license plate number(s)

Parking Permit Number(s)

Make, model, & color of vehicle(s)

THE VILLAGES AT TREASURE ISLAND
PROHIBITING HOT TUBS

Tenant shall NOT install or operate or permit to be installed or operated any hot tubs (or other such appliances) inside or outside on the Premises.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

THE VILLAGES AT TREASURE ISLAND
CARBON MONOXIDE DISCLOSURE

This Addendum is entered into with respect to that certain Lease Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

Carbon Monoxide (CO) is a colorless, odorless and dangerous gas. Small concentrations of 10% CO in your blood can cause minor health problems. If Tenant notice "Flu-like" symptoms such as slight headache, nausea, vomiting, or fatigue, they may be experiencing mild CO exposure. Symptoms such as severe headaches, drowsiness, confusion, and accelerated heart rate could indicate a moderate degree of CO exposure. Extreme exposure may cause unconsciousness, convulsions, cardio respiratory failure, or death. Youth children, the elderly, and pets may be the first ones affected.

The CO detector installed in the apartments at the Villages continuously monitors the air quality. The detector alarms at multiple levels of exposure to carbon monoxide based on time weighted averages of the gas present. There is one light on the body of the detector which turns color to indicate various levels of CO. Green indicated that there are no detectable levels of CO present in the air. The light remains Green at all times, unless some level of CO has been detected. The light will turn Amber if low levels of CO are detected. This is a warning of a possible problem. If low levels are continuously detected over a longer period of time or if the detector measure CO at a high level, the light will turn Red and the alarm will sound. If the levels return to normal, the light will return to Green.

Based on information provided by the manufacturer and the contractor installing the detectors, in the event that a CO detector is activated, Tenant must adhere to the following protocol:

Light is Green at all times, unless CO has been detected.

If light turns Amber:

1. Ventilate the area by opening windows.
2. Turn the thermostat to the "off" position or to lowest temperature on the dial.
3. Call the Villages business office at 834-0211. Indicate that this is an emergency.

If light turn Red and alarm sounds:

1. Immediately ventilate or vacate the unit.
2. Turn furnace to "off" position or lowest setting on thermostat.
3. Call the Villages office at 834-0211. Indicate that this is an emergency.
4. Determine whether anyone has a headache or upset stomach, and respond to health concerns. (The elderly, children, and pets often experience symptoms earlier and to a greater degree.)
5. Do not reenter unit until it has been ventilated.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

1201-A Bayside Dr.



**TREASURE ISLAND
YERBA BUENA ISLAND**

**ADDENDUM RE: CHANGE OF TERMS OF TENANCY
TO THE RESIDENTIAL LEASE DATED 6/3/2014,
(hereafter referred to as the RENTAL AGREEMENT)**

The terms of this RENTAL AGREEMENT supersede and replace all the terms of the Residential Lease dated _____, and any Addendum(s) thereto, (hereafter collectively the "Original Lease"); provided, however, that the Notice and Acknowledgment that was attached to the Original Lease and executed by the Original Tenants identified below shall remain in full force and effect as to the Original Tenants.

I. PARTIES:

THIS RENTAL AGREEMENT is made on **6/3/2014** between:

A. ORIGINAL TENANT:

Tenant A

(hereinafter singularly or collectively called "Original Tenants");

B. If Applicable: POST-DDA TENANT(S):

Tenant B

(hereinafter singularly or collectively called "Post-DDA Tenants"); and

C. THE JOHN STEWART COMPANY (hereinafter called "Landlord").

Original Tenants are current lessees of the Premises defined below, who have signed the Original Lease with Landlord and currently occupy the Premises.

(If Applicable): Post-DDA Tenant(s), at the request of Original Tenants and after approval of Landlord,

shall be co-tenants of Original Tenants subject to the terms of this Rental Agreement. Original Tenants and (if applicable) Post-DDA Tenants are hereinafter referred to collectively as "Tenant".

IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

II. DESCRIPTION:

The Landlord hereby leases to the Tenant and the Tenant hires from Landlord, on the terms and conditions hereinafter set forth, all the property situated in the City and County of San Francisco, State of California, described as follows, to wit: Apartment No. **1201-A** at **Bayside Dr.**, San Francisco, California 94130 (the "Premises").

III. TERM:

The term of this Rental Agreement shall be for a month-to-month basis beginning **1/1/2014** with rent payable at **\$2000** per month.

Tenant may terminate this Rental Agreement as permitted by state law upon delivery of at least 30 days' prior written notice, or as required by law, to Landlord in accordance with Section XX. Landlord may terminate this Rental Agreement in accordance with Section XXIV below.

Tenant hereby acknowledges that the Landlord is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this Rental Agreement. Notwithstanding anything in this Rental Agreement to the contrary, this Rental Agreement and Tenant's right to occupy the Premises shall terminate if the master lease between the Treasure Island Development Authority and the Navy terminates. Tenant further acknowledges that the residential use of the Premises is an interim use and the tenancy created under this Rental Agreement shall not be permanent.

IV. RENTS, LATE CHARGES, RETURNED CHECKS:

Rents: All rents are due and payable on or before the first day of each month in advance (the "Due Date"). All rents shall be paid at the office of the agent of the Landlord, or at such other place as may be designated by the Landlord. All rent is to be paid on the first day of the month for the prospective rental period. All rents shall be paid by personal check, cashier's check or money order. No cash to be accepted.

Treasure Island and Yerba Buena Island will undergo a phased demolition of most of its existing structures and a phased reconstruction of structures that is expected to last for several years. The demolition and reconstruction will necessarily result in inconvenience, noise and other disturbances in and around the Premises and the project grounds. Tenant acknowledges that the rental rate has been determined and set by the parties with the understanding and agreement that construction will take place in and around the Premises during the course of this month to month tenancy and that Tenant may not seek a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

LATE CHARGES: Tenant and Landlord agree that Landlord will sustain costs and damage as a result

of any late payment of rent but that it will be extremely difficult to determine with specificity the actual amount of that damage. Therefore, Tenant agrees to pay a late charge of \$100.00 for any payment of rent not received by Landlord within 5 calendar days of the Due Date. The Parties agree that this late charge represents a fair and reasonable estimate of the costs and damages that Landlord will incur by reason of late payment by Tenant. The provision for payment of a late charge does not constitute a grace period and Landlord may serve a 3-Day Notice to Pay Rent or Quit on the day after the Due Date.

RETURNED CHECKS: In the event that Tenant makes any payment required hereunder with a check which is not honored by the bank on which it is drawn for any reason, Tenant shall pay Landlord the additional sum of \$50.00 as a reimbursement of the expenses incurred by Landlord. A dishonored check shall constitute late payment of rent and shall be subject to the provisions of paragraph IV above regarding late charges. Such charges shall be immediately due and payable upon notice to Tenant. Failure to immediately pay the charges shall constitute a default under the terms of this Rental agreement. If Tenant's check is returned by a bank for any reason, Tenant shall pay the rent and other charges required by this Rental Agreement by certified funds, cashier's check or money order for the next twelve months.

FAILURE TO PAY: Pursuant to Civil Code Section 1785.26, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations, such as your financial obligations under the terms of this Agreement.

V. EACH TENANT'S INDIVIDUAL LIABILITY:

Each person who signs this Rental Agreement as a Tenant, is jointly and severally responsible for the performance of their obligations under this Rental Agreement, including the payment of the entire monthly rent and for any damages to the Premises until such time as the tenancy in its entirety is terminated and the Premises relinquished vacant to the Landlord, regardless of whether the named Tenant occupies the Premises. In the event Tenant pays the monthly rent with separate checks, Tenant, and each of them, remains jointly and severally obligated for the payment of the entire monthly rent for the Premises.

VI. ASSIGNMENT:

Tenant may not assign this Rental Agreement or sublet the whole or any portion of the Premises without obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole and absolute discretion. No person other than the named Tenant shall be permitted to regularly or continuously use or occupy the Premises unless all of the following conditions are met: (1) Tenant notifies Landlord in writing, signed by every Tenant, stating a request to have a new person occupy the Premises as a co-tenant; (2) said prospective occupant completes and gives the Landlord a completed Landlord's rental application; (3) prospective occupant shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's prospective occupant signs Landlord's Co-Tenancy Acknowledgment form or an Addendum to the Residential Lease/Rental Agreement including the Notice and Acknowledgment, as applicable. In the event that the Landlord consents to any co-tenancy, it is hereby agreed that 1) Tenant may not charge more to the co-tenant(s) than that proportional share of the rent which is being charged by and paid to Landlord, and 2) the co-tenant will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations approved by the Treasure Island Development Authority Board of Directors on April 21, 2011 and the San Francisco Board of Supervisors on June 28, 2011 (as amended from time to time, the "Transition Housing Rules

and Regulations"). A person shall be considered to be regularly or continuously using or occupying the Premises if the person stays overnight in the Premises for more than 30 days in any calendar year.

No action or inaction or acceptance of rent or knowledge on the part of the Landlord shall be deemed to be a waiver of the provision of this Paragraph on the part of the Landlord and shall not be deemed an approval of any person as a "subtenant" or "co-tenant" for any purpose.

VII. DEFAULT:

Tenant's failure to pay rent or other charges when due or the failure to comply with the covenants or conditions of this Rental Agreement and its addendums, including but not limited to, the house rules, constitutes a default and the Landlord may seek any remedy available in law or equity including the recovery of possession of the Premises.

VIII. USE AND OCCUPANCY:

The Tenant shall occupy the Premises and shall keep the Premises in good condition including such improvements as may be made thereon hereafter, with usual wear and tear excepted, and shall not make any alterations, install locks or locking mechanisms, paint, or wallpaper without the prior written consent of the Landlord. Tenant shall not commit or suffer to be committed any waste upon the Premises. Tenant agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or guest. Tenant shall not access or enter any parts or portions of the Premises or common areas locked, sealed or closed off by Landlord. Tenant shall not change, alter or modify the electrical service including the electrical circuit box to the Premises for any reason.

The Premises are rented to the Tenant for use as a principal, full time residential dwelling only. Tenant shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the Premises are hereby rented. Occupancy of the Premises is limited to those persons named in this Rental Agreement.

Minor Children Reaching Age of Majority: At the time a minor child occupying the Premises reaches the age of majority (18 years of age), Tenant shall (1) Request in writing that the child be identified as a tenant and added as a co-tenant to the Rental Agreement; (2) Tenant's child shall complete and deliver to Landlord a completed Landlord's rental application; (3) Tenant's child shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's child shall sign a Rental Agreement or Addendum as required by Landlord within five (5) days of Landlord's written request including the Notice and Acknowledgment. If the minor child reaching the age of majority is the child of a Post-DDA Tenant, the child will also be required to sign the Notice and Acknowledgment. Children of Post-DDA Tenants will not be entitled to any benefits under the Transition Housing Rules and Regulations.

No person other than a Tenant or approved occupant may receive mail or use the address of the Premises for any purpose or designate the address of the Premises with any governmental agency or department including but not limited to, the Department of Motor Vehicles or the Department of Corrections.

Tenant shall comply with all governmental laws and ordinances.

IX. TENANT/LANDLORD:

The Tenant hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. The amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

X. NUISANCE:

Tenant shall not commit, nor permit to be committed nuisance, upon, in or about the Premises or the project grounds, nor shall Tenant create or permit a substantial interference with the comfort, safety, or enjoyment of other tenants. Tenant shall not interfere with Landlord's management of the project. Although a single incident may constitute a nuisance or substantial interference with other tenants, three complaints against Tenant, Tenant's visitors or household in any twelve month period shall create a presumption of a nuisance and/or substantial interference with other tenants and/or with Landlord's management of the project. Tenant shall not engage in, or permit any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any other resident to the quiet enjoyment of the Premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stairways, and other public passages shall not be obstructed by the Tenant or their visitors. Persons will not be permitted to run or play on balconies or stairways. Tenant agrees to place garbage and refuse inside the containers provided therefore.

Drug Free Environment: Tenant and Tenant's household and visitors shall not engage in any drug related criminal activity on or near the Premises or project grounds. Drug related criminal activity means the illegal manufacture, production, sale, distribution, use or possession with intent to manufacture, produce, sell, distribute, or use of controlled substances (as defined in Section 102 of the Controlled Substances Act - 21 U.S.C. 802).

XI. MAINTENANCE:

A. The Landlord agrees to:

1. Regularly clean all common areas of the project;
2. Maintain the common areas and facilities in a safe condition;
3. Arrange for collection and removal of trash and garbage;
4. Maintain all equipment and appliances in a safe and working order;
5. Make necessary repairs with reasonable promptness;
6. Maintain exterior lighting in good working order;
7. Provide extermination services as necessary;
8. Maintain the grounds.

B. The Tenant shall:

1. Keep the Premises clean, safe, and sanitary;
2. Use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended;
3. Not litter the grounds or common areas of the project;
4. Not destroy, deface, damage, or remove any part of the unit, common areas or project grounds;
5. Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the Premises or related facilities;
6. Remove garbage and other waste from the unit in a clean and safe manner as instructed by Landlord. Trash pickup procedures vary depending upon location and may be amended from time to time;
7. Not engage in or permit unlawful activities in the Premises, in the common areas, or on the project grounds; and
8. Be responsible for compliance with all applicable laws and ordinances and house rules by Tenant's household members and Tenant's visitors.

XII. NOTICES:

Tenant shall comply with House Rules which Landlord has, or may from time to time, furnish Tenant or post conspicuously on the Premises. The Tenant by affixing his or her signature below acknowledges the receipt of a copy of the House Rules.

XIII. HOLD HARMLESS:

Tenant hereby waives all claims against Landlord for damages to property or injuries to persons, including Tenant, in or about the Premises; and Tenant will hold Landlord harmless from any damage or injury to persons or property arising from the use of the Premises by Tenant. Tenant may not seek compensation or a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

XIV. LEGAL FEES:

In an unlawful detainer action to recover possession of the Premises, the total costs including attorney's fees to the prevailing party shall be limited to \$1500. In the event of any OTHER legal action between the parties, any statutory recovery of attorney's fees and costs shall be limited to \$2500 to the prevailing party.

XV. NO WAIVER OF ANY TERMS OR PRECEDING DEFAULTS:

No failure of Landlord to enforce any term of this Rental Agreement will be deemed a waiver of that term or of any other term of the Agreement. The waiver by Landlord of any term of this Rental Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term of this Rental Agreement, nor will any custom or practice which may develop between the parties be construed to waive the right of Landlord to require performance by Tenant of all the provisions of this Rental Agreement, or support a claim of detrimental reliance by Tenant and Landlord shall not be stopped from enforcing any term of this Rental Agreement. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach, violation or default by Tenant of any term of this Rental Agreement regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

Landlord's acceptance of a partial payment of rent will not constitute a waiver of Landlord's right to the full amount due nor will it constitute a modification to this Rental Agreement unless such modification is in writing and signed by the parties.

XVI. SURRENDER CONDITION:

At the expiration of said term, or the sooner termination thereof, the Tenant shall peacefully quit and surrender possession of said Premises in as good condition as reasonable use and wear thereof permit.

XVII. DEPOSIT FEES:

Tenant agrees to deposit with the Landlord, on or before occupancy, the sum of \$1000 as security deposit. This sum shall be held by the Landlord as security for the faithful performances by the Tenant of the terms, covenants and conditions of this Rental Agreement by Tenant to be kept and performed during the term hereof. In the event of the failure of Tenant to keep and perform all of the terms covenants, and conditions of this Rental Agreement, then, at the option of the Landlord, said Landlord may appropriate and apply said deposit, or so much thereof determined by Landlord to be due to such breach on the part of Tenant. Should Tenant comply with all of said terms, covenants, and conditions and promptly pay the entire rental herein provided for as it falls due, and all other sums payable by Tenant occupancy, Landlord shall refund Tenant's Security Deposit in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT. If any portion of the Security Deposit is applied by Landlord to any obligations of Tenant at any time during the tenancy, Tenant must, upon 5 days written notice, replenish the Security Deposit to its full original amount. Landlord is not obligated to apply Tenant's Security Deposit to any accrued unpaid rent and may demand payment of the rent from Tenant when due.

XVIII. LEGAL NOTICE:

All notices to be given to Tenant shall be in writing and served as required by law and addressed to Tenant at the Premises, whether or not Tenant has departed from, vacated, or abandoned the Premises.

XIX. INSPECTION:

The Landlord, its agent and/or employees may enter the Premises at reasonable times to inspect, clean, repair, or show the Premises to prospective tenants, purchasers or lending institutions. The Tenant agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the

Premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Landlord. Landlord will provide 24 hours notice of intent to enter unit except in emergency, when Landlord may enter immediately. Landlord is to leave notice to Tenant that Landlord entered the unit.

Landlord shall make an annual inspection of the Premises and all facilities and units. Landlord shall designate a day when such inspection shall take place at the Premises and notify Tenant at least two days prior thereto. Tenant shall permit Landlord's annual inspection of the Premises to take place and the failure to do so constitutes a breach of this covenant.

XX. TENANT'S NOTICE TO TERMINATE AND VACATE:

Tenant shall give Landlord a thirty (30) day, or as required by law, written notice of the Tenant's intention to terminate Tenant's tenancy and vacate the Premises. Any deposits that the Tenant may have on deposit with the Landlord are not to be considered the Last Month's rent. Landlord shall refund and/or account for the security deposits in the time permitted by law after the Premises are vacated by all occupants.

XXI. UTILITIES:

Landlord will provide for utilities water, sewer, electricity, gas and garbage removal. Tenant shall be responsible for all other utilities and services for the Premises including but not limited to, cable, internet, and telephone.

XXII. HAZARDOUS MATERIALS:

Tenant shall not store or permit storage of any hazardous materials on or around the Premises and will not cause materials to be released anywhere on or near the Premises or the project grounds.

XXIII. ACKNOWLEDGEMENT OF INAPPLICABILITY of Chapter 37 of the San Francisco Administrative Code - the San Francisco Residential Rent Stabilization and Arbitration Ordinance No. 276-79 (hereinafter called "the Ordinance"):

Tenant hereby acknowledges and agrees that because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance including its rent control provisions and its "just cause" requirements. Tenant further acknowledges and agrees that nothing herein shall impose the jurisdiction of the Ordinance on this Rental Agreement, nor is it intended to imply that any rules, policies or precedents of the Ordinance apply to this Rental Agreement.

XXIV. TERMINATION OF TENANCY AND OR RECOVERY OF POSSESSION BY LANDLORD:

Landlord may terminate the month-to-month tenancy under this Rental Agreement in accordance with applicable law if Tenant is in default under any provision of this Rental Agreement. Landlord may recover possession following Tenant's Termination of Tenancy in accordance with applicable law. In addition, Landlord may terminate the month-to-month tenancy under this Rental Agreement as permitted by state law by giving Tenant a thirty (30) day, or as required by law, written notice of termination of Tenant's

tenancy.

XXV. INSURANCE:

Landlord's insurance does NOT provide for coverage of Tenant's personal belongings or personal liability unless as a direct and proximate result of Landlord's negligence. Therefore, Landlord strongly urges and recommends to each Tenant that Tenant secure sufficient insurance to protect against losses such as fire, flood, theft, vandalism, personal injury or other casualty.

XXVI. PETS:

NO pets, dogs, cats, birds or other animals are allowed in or about the Premises, even temporarily or with a visiting guest, without prior written consent of Landlord, excepting service animal(s) as required by law. Any such consent is conditioned upon Tenant completing and signing Landlord's Pet Agreement which shall become part of this Agreement. Strays shall not be kept or fed in or about the Premises. Strays can be dangerous and Landlord must be notified immediately of any strays in or about the Premises. If a pet has been in a Tenant's apartment or allowed into the building, even temporarily (with or without Landlord's permission) Tenant may be charged for cleaning, de-fleaing, deodorizing or shampooing any portion of the building or Premises at the discretion of Landlord.

XXVII. AUTHORIZED OCCUPANTS:

Name Tenant A

Name Tenant B

Name _____

Name _____

Name _____

Name _____

Name _____

Name _____

Name _____

IN WITNESS WHEREOF, the Landlord and the Tenant have executed this Rental Agreement as of the date and year first above written.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator (Date)

In agreement with the terms of this Rental Agreement, the Original Tenants execute this Rental Agreement.

Tenant A

Original Tenant: _____	Date: _____
Original Tenant: _____	Date: _____
Original Tenant: _____	Date: _____
Original Tenant: _____	Date: _____
Original Tenant: _____	Date: _____
Original Tenant: _____	Date: _____

(If Applicable): POST DDA TENANT(S):

In agreement with the terms of this Rental Agreement, the Post DDA Tenants execute this Rental Agreement.

Tenant B

Post DDA Tenant: _____	Date: _____
Post DDA Tenant: _____	Date: _____
Post DDA Tenant: _____	Date: _____
Post DDA Tenant: _____	Date: _____

THE VILLAGES AT TREASURE ISLAND
HOUSE RULES

The Community – The exercise of common sense and consideration for others should be the only rule necessary to ensure your personal comfort and enjoyment of apartment living; however, in order for Landlord or its property manager ("management") to fully protect your rights and property against the occasional offender, the following Rules and Regulations ("House Rules") exist:

1. **Maintenance** - Tenant shall immediately inform the rental office (the designated maintenance person) of any need of maintenance repair so that work can be done promptly. Light bulbs shall be furnished to the unit upon occupancy and Tenant shall replace bulbs thereafter. Tenant shall be charged the repair cost of stoppage of any sewer caused by the resident's negligence and any other damage as provided under the Rental Agreement. Any reimbursement shall be made within 30 days of billing. All electrical appliances for food preparation must be inspected by the management for safety and fire protection standards before their use in the unit. Walls may not be painted or wallpapered, nor may they be drilled into to hang book shelves or heavy paintings or mirrors. All pictures shall be hung by the use of brads or finishing nails. Due to weight limitations, no electrical fixtures or hanging objects such as plants, etc., can be suspended from the ceiling without prior permission of the management. Window coverings are provided. No additional draperies can be added except as approved by management.
2. **Landscaping** – Existing landscaping and grounds will be maintained by management in the front of all units. Tenant is not permitted to plant or in any way alter the existing landscaping because there may be pockets of debris left over from previous construction activity on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards. Backyard maintenance is the responsibility of the Tenant.
3. **Pesticides/Herbicides** – The use of pesticides or herbicides is prohibited.
4. **Environment** – Tenant and their guests shall not commit or suffer to be committed any waste upon said Premises, and nuisance or any other act which may disturb the quiet enjoyment of any resident. Public areas shall not be defaced and no littering shall be permitted. No articles of clothing or other materials are to be left to dry or hang in publicly exposed areas other than a clothing line in an enclosed backyard.
5. **Parking** – The Parking Agreement applies to Tenant and Tenant's household and must be complied with at all times.
6. **Automobiles** - We encourage walking, bicycling and carpooling. Please limit the use of your while on the Island. All Tenants owning vehicles which will be parked on the Island will be required to execute a Parking Agreement.
7. **Resident Responsibility** - The management wishes that Tenant makes full use of the many facilities provided to them throughout the Villages at Treasure Island and to consider these premises as their home. In turn, Tenants are reminded that they have a corresponding responsibility for keeping their home as neat and attractive a place to live as possible.
8. **Keys** - Each resident will be provided with one set of keys which must be returned upon vacating the Premises. A \$75.00 charge will be assessed if keys are lost or not returned at move-out. Additional keys will be provided by management if requested and appropriate.

9. **Lock-Out Service** - The management does not provide after hours lock-out service. In the event you are locked out of your unit we recommend you call a licensed locksmith. The cost of the locksmith will be your responsibility. Should you require a change in the lock set you must immediately provide a key to the leasing office.
10. **Office Hours** - Normal office hours to receive rents and to transact other office business is posted on the office door. Tenants are admitted to the office to conduct business only and for no other purpose.
11. **Cleaning and Condition of the Unit**- Landlord agrees to provide Tenant with a unit properly cleaned and in good condition. Tenant shall be responsible for maintaining the neat appearance of their homes; and no home may be so filled with furniture and personal items as to constitute a fire or safety hazard in the judgment of Landlord. Tenant shall maintain the Premises in a safe and sanitary condition. Tenant shall not store, place or maintain personal property outside of the Premises. Tenant shall not affix, post, hang or display any personal property, including but not limited to, wind chimes, signs, statuary on the exterior of the Premises without the prior written consent of Landlord.
12. **Safety and Unit Condition** - Landlord shall perform an annual inspection of all project facilities and units, and other inspections as needed of all units and appliances for safety and fire prevention standards. Management shall designate a day or days when such inspection shall be made and so notify the Tenants at least three days prior thereto.
13. **Oxygen Therapy or Usage** - Any Tenant or their visitors utilizing oxygen within his/her unit or on the project grounds of The Villages at Treasure Island must adhere to the safety precautions listed in the usage booklet provided with the oxygen tank. Three areas which we emphasize are: (1) smoking or open flame are not permitted within the apartment; (2) store oxygen units away from heat; (3) keep the units away from all flammable materials such as grease, oil hair lubricants, Vaseline, hand lotions, and aerosol sprays. In addition, persons using oxygen must inform the office so that management can review the oxygen policy with the resident.
14. **Trash** - Tenant may not place a trash receptacle (a trash can) on the sidewalk, street, or public right-of-way until after the hour of 6:00 p.m. of the day immediately prior to the day of trash collection. Within 24 hours of placing a trash receptacle (a trash can) for collection and after the contents of the trash receptacle have been collected, Tenant shall remove the trash receptacle from the sidewalk, street or other public right-of-way and return the trash receptacle to the designated enclosure area for that Tenant's trash receptacle.
15. **Recycling** - In an effort to promote conservation we require all households to participate in the recycling program. You will be provided with necessary receptacles for separation of products and required to place containers on the curb on the designated pick-up day.
16. **Balconies and Patios** - Balconies and patios are not to be used for storage of personal belongings. This includes but is not limited to: boxes, brooms, mops, bicycles, garbage, debris, buckets, recycling, etc. The installation of screening on the balcony is prohibited. Only patio furniture, in good usable condition, may be kept on the balcony. Storage and use of barbecues is prohibited on the balcony.
17. **Firearms and fireworks** - Tenant shall not possess, store, use, or maintain firearms or any other object capable of firing a projectile, ammunition, explosives or fireworks in the Premises or on the project grounds.

18. **Quiet Hours** – Please respect your neighbors' right to a quiet environment. We ask that stereos, televisions and other activities be at reasonable levels at all times so as not to disturb others. Tenant must observe quiet hours between 10:00 p.m. and 7:00 a.m.
19. **Guest** - Tenant may have guests on the Premises up to thirty (30) days in a calendar year without Landlord's prior written consent. If guests are staying longer, prior written consent from management is required. A Tenant permitting guest(s) or unauthorized occupant(s) for a longer period without consent shall be considered subletting; which constitutes a violation of the rental agreement and a basis for termination. Tenant is responsible for the conduct of any person(s) visiting them on the Island.
20. **Common Area Use** - Tenant shall not use the common areas or project grounds for any gatherings or other functions. Tenant shall not place, install or use any equipment in the common areas or project grounds including but not limited to inflatable houses, slides or structures, catering equipment, and/or audio-visual equipment.
21. **Changes in House Rules** - Landlord reserves the right to rescind or change any of the foregoing rules and to make such other rules and regulations from time to time as may be deemed needful for the safety, care and cleanliness of the community. The rule(s) will be formally submitted to all Tenants in writing and shall become effective thirty (30) days following the date of delivery.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator (Date) _____

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s), (all persons 18 years of age and older must sign):

By: _____
(Date) _____

By: _____
(Date) _____

By: _____
(Date) _____

By: _____
(Date) _____

THE VILLAGES AT TREASURE ISLAND PROPERTY DISCLOSURE

Introduction: The residential unit you have or are planning to lease is located on Former Naval Station Treasure Island ("Treasure Island"). Treasure Island is still owned by the United States Navy, but local and state laws have granted to the Treasure Island Development Authority (the "Authority") jurisdiction over the planning, redevelopment, and conversion of Treasure Island for the public benefit of the City and County of San Francisco.

The Navy formally ceased operation Treasure Island in October of 1997, but had already begun downsizing its operation years earlier. As a result, the Authority, working with the City's Public Utilities Commission and certain other basic service providers (i.e., telephone, garbage, cable) has had to address a number of issues caused by the deferral of maintenance and repair of Treasure Island's infrastructure.

In addition, as described further below, the Navy is obligated under federal and state law to remediate hazardous materials prior to transferring Treasure Island to the Authority. Thus, you may notice certain continuing clean-up operations by the Navy's contractors on Treasure Island. State and federal EPA are involved in overseeing those clean-up efforts.

Also, as described further below, Treasure Island is subject to certain seismic hazards, which the Authority required the John Stewart Company to address as a precondition of residential leasing.

What follows below is a brief summary of some of the service and infrastructure issues affecting Treasure Island. Where available, reference is made to appropriate contact persons or more detailed source materials, which you may review.

I. BASIC SERVICES

Cable Television Services - The Authority approved a contract with COMCAST CABLE AND INTERNET SERVICES to provide cable and internet services to the residential housing units on Treasure Island. Questions or concerns regarding cable and internet services can be answered directly by Comcast Cable and Internet Services 1-800-266-2278 or the City's Department of Telecommunication and Information Services at (415) 554-0802, or the Leasing Office at (415) 834-0211.

Telephone Services - AT&T owns and operates the residential phone line system on Treasure Island. Questions or concerns regarding telephone service at Treasure Island should be directed to AT&T at 1-800-331-0500 or the Leasing Office at (415) 834-0211.

Garbage - Garbage and recycling services on Treasure Island are performed by Golden Gate Disposal, as is the case with much of the rest of San Francisco. Questions or concerns regarding garbage service at Treasure Island should be directed to the Leasing Office at (415) 834-0211.

Utilities - Under a contractual agreement with the Navy, utility services (water, sewer, electric, and gas) are either directly provided or overseen by the San Francisco Public Utilities Commission. (Electrical power is provided by the PUC and gas service is provided by PG & E, but the PUC provides principal maintenance and repair services for all on-island utility infrastructure.)

II. SEISMIC ISSUES

Treasure Island and the Treasure Island Causeway are within a State of California seismic hazard zone for potentially liquefiable soils, and parts of the Yerba Buena Island perimeter slopes are within a State of California seismic hazard zone for earthquake induced landslides, Seismic Hazard Zone Report 043, CCSF. A geotechnical study for Treasure Island conducted on behalf of the Authority found that the top 30 to 50 feet of soil at Treasure Island is susceptible to liquefaction and lateral spreading during major earthquakes and subsequently to permanent settlement.

As part of the conversion to civilian residential re-use, the City and County of San Francisco and the Authority directed that all housing construction be evaluated in accordance with the U.S. Government Federal Emergency Management Agency (FEMA) Seismic Standard 178 entitled NEHRP (National Earthquake Hazard Reduction Program) handbook for the Seismic Evaluation of Existing Buildings. Per agreement with the City and County San Francisco Department of Building Inspection, those buildings which were evaluated to not be in conformance with the life-safety standards established in FEMA-178 were retrofitted to conform to the seismic requirements of the City and County of San Francisco Building Code prior to occupancy.

Based upon the evaluation and certification by structural engineers engaged by the John Stewart Company and concurring evaluation and certification by structural engineers engaged by the City and County of San Francisco, it is expected that upon completion of all required seismic retrofit, all residential buildings on Treasure Island and Yerba Buena Island met or exceeded the life safety level of performances specified in FEMA -178. While liquefaction, lateral spreading and / or consolidation of the underlying soils can be expected in a major earthquake, it is the professional opinion of the structural engineers that while some structural damage may occur, there is a very low probability that the damage would result in injury to occupants, and the expectation of the engineers is that the buildings will provide a satisfactory level of life safety performance. However, a major seismic event may affect other portions of Treasure Island (such as the causeway to the Bay Bridge), and could, among other things, impact ready access to and from Treasure Island.

A complete copy of the geotechnical reports and evaluations of the Structural Engineers are available for review with the Authority at their offices on the Second Floor of Building 1 on Treasure Island and in the John Stewart Company's Marketing and Management Office.

III. ENVIRONMENTAL ISSUES

A. Building Conditions

Lead-Based paint - Similar to most residential buildings constructed prior to 1978, interior and exterior painted woodwork at residential buildings (other than the 1400 Series Housing) contain lead-based paint. The Navy has maintained the lead-based paint in place in accordance with applicable environmental standards. The current condition of the paint is designated as intact (that is, not subject to flaking or peeling by casual contact). A copy of the pamphlet entitled: "Protect Your Family from Lead in Your Home" is available. Disturbance of painted woodwork by tenants must be performed in accordance with the Treasure Island "Operation & Maintenance Program for Lead-Based Paint." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

Asbestos Containing Material (ACM) - Similar to most residential buildings constructed in 1960's, residential buildings on Treasure Island / Yerba Buena Island (except the 1400 Series Housing) contain asbestos containing materials (ACM). A complete inventory of ACMs in residential buildings is available for review in

the Treasure Island Development Authority's office. Disturbance of ACM by tenants must be done in accordance with the Treasure Island "Operation & Maintenance Program for Asbestos Containing Materials." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

B. Ongoing Environmental Remediation

The Navy is conducting an environmental restoration program to investigate and remediate hazardous substances at Treasure Island. The California Department of Toxic Substances Control within the California Environmental Protection Agency (Cal-EPA) is the lead regulatory agency overseeing the Navy's environmental clean-up program. In addition, the California Department of Public Health, the United States Environmental Protection Agency (U.S. EPA) and the Treasure Island Development Authority have also been monitoring the Navy's clean-up program. In November 1998, The Navy issued a Finding of Suitability to Lease ("FOSL") for all the residential buildings currently being offered for lease. The Navy is continuing certain investigation and remediation activities related to the environmental restoration of Treasure Island. In addition, the Navy is and will continue to perform additional investigation and remediation activities in order to make more residential units available for lease, and to make the ultimate findings necessary for the Navy to transfer Treasure Island to the Authority after it has been determined that all remedial actions have been taken, as required by law. The Navy is also currently investigating portions of the current and future residential areas on Treasure Island that may require remedial actions to address concerns regarding human health or the environment. Work by the Navy in residential areas will be done in compliance with all applicable health and safety laws and all efforts will be made not to disturb or inconvenience tenants.

The Authority maintains in its offices on the second floor of Building 1. A more detailed summary of these investigative and remediation activities, as well as other important background information, including the types of hazardous substances being addressed, the nature of the remediation activities and general schedules for completion. These materials are compiled in a binder and are available for your review. The Authority will update these materials periodically to track changes in the Navy's progress. The materials will be available for review during normal business hours. If you wish, the Authority will make available to you one of its expert consultants to help answer questions.

In addition, a citizen's Restoration Advisory Board ("RAB") was established by the Navy to review and provide public input on the Navy's clean-up. The RAB meets every other month on the 3rd Tuesday at 7:00 pm on Treasure Island. Members of the public are welcome to attend.

Finally, the John Stewart Company will provide periodic updates regarding the clean-up especially for the Tenants of Treasure Island through regular newsletters sent to all Tenants.

I have read and understand this disclosure regarding certain conditions on Treasure Island and Yerba Buena Island.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

NOTICE AND ACKNOWLEDGEMENT

THIS NOTICE AND ACKNOWLEDGEMENT SECTION ONLY APPLIES TO POST DDA TENANTS

Treasure Island and Yerba Buena Island, in the City and County of San Francisco, California, will be developed in the future in accordance with various project approvals granted by the Treasure Island Development Authority ("Authority") and the San Francisco Board of Supervisors in April and June 2011, including a Disposition and Development Agreement ("TICD DDA") between the Authority and Treasure Island Community Development, LLC, dated as of June 28, 2011, which provides for the development of Treasure Island and Yerba Buena Island (the "Project"). The effective date of the TICD DDA is July 14, 2011 (the "DDA Effective Date"). The Authority also approved, and in connection with its approval of the TICD DDA the Board of Supervisors ratified, the Transition Housing Rules and Regulations for the Villages at Treasure Island ("Transition Housing Rules and Regulations") that provide for a package of benefits to "Transitioning Households" as defined in the Transition Housing Rules and Regulations. Copies of all the project approvals, including the TICD DDA and the Transition Housing Rules and Regulations, are posted on the Authority's website at www.sftreasureisland.org.

This notice is to inform you of the following information **before you enter into any lease or rental agreement and occupy a residential unit at Treasure Island/Yerba Buena Island:**

1. That the unit will be available only for an interim period pending development of the Project in accordance with the TICD DDA;
2. That your occupancy is on an month-to-month interim nonpermanent basis and that at some point in the future, as a result of the Project, you will be required to move.
3. That because your occupancy commenced after the Authority acquired a leasehold interest in the property located at Treasure Island/Yerba Buena, you will not be eligible for relocation benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA"), or California Government Code Section 7260 et seq. and its implementing regulations located at California Code of Regulations, Title 25, Division 1 Chapter 6 (collectively, "Section 7260") if you are asked to move because of the Project.
4. That the projected date that your unit is expected to be vacated and demolished for development of the Project is prior to June, 2014, but no sooner than January, 2013, if your unit is located on Yerba Buena Island, and between June, 2015 and June, 2020 if your unit is located on Treasure Island, provided, such date is subject to change depending on the Project construction schedule.
5. That, along with all other Tenants of the Villages at Treasure Island, you will receive periodic notices with updates regarding the progress of the Project, including any anticipated changes in the projected date that your unit is expected to be vacated and demolished.
6. That you will be provided at least ninety (90) days' prior written notice of the date by which you must vacate the unit if the notice to move is triggered by the Project.
7. That because you are entering into a rental agreement after the DDA Effective Date, you are a Post-DDA Tenant under the Transition Housing Rules and Regulations and no Post-DDA Tenant is eligible for transition housing benefits under the Transition Housing Rules and Regulations, but you will be offered transition advisory services when required to move.

8. You may be required to relocate temporarily and/or permanently.
9. You may be subject to a rent increase.

If you have to move or your rent is increased as a result of the Project or otherwise, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move.

Please read this notification carefully prior to signing a rental agreement and moving into a unit on Treasure Island or Yerba Buena Island. If you should have any questions about this notice, please call 415 554 6170 for more information. Once you have read and have understood this notice, please sign the statement below if you still desire to enter into your rental agreement.

This notice and acknowledgement must be signed and dated prior to entering into a rental agreement and occupying a unit on Treasure Island or Yerba Buena Island.

I have read the above prior to entering into my rental agreement for and occupying a unit at Treasure Island or Yerba Buena Island and I understand that I am a Post-DDA Tenant under the Transition Housing Rules and Regulations, and I will not be eligible for relocation benefits under the URA or Section 7260 or transition housing benefits under the Transition Housing Rules and Regulations.

enant B Post DDA Tenant: _____ Date: _____

 Post DDA Tenant: _____ Date: _____

 Post DDA Tenant: _____ Date: _____

 Post DDA Tenant: _____ Date: _____

Villages at Treasure Island representative signature:

X _____ Date: _____

THE VILLAGES AT TREASURE ISLAND
HAZARDOUS SUBSTANCE DISCLOSURE

This addendum is entered into with respect to that certain Rental Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr. San Francisco, CA 94130.

"WARNING: This apartment community contains asbestos, tobacco smoke and other substances known to the State of California to cause cancer and/or birth defects and other reproductive harm. Tobacco smoke may be present in the apartment community when persons in the apartment community smoke or otherwise use tobacco. Other hazardous substances are contained in some of the original building materials and in some of the products and materials used to maintain the property. Disturbance or damage to certain interior apartment surfaces may increase the potential for exposure of these substances."

Tenant(s) agrees for themselves, their guests and invitees, to comply with all rules and regulations as Landlord may from time to time prescribe in connection with Landlord's operations programs, including without limitation, asbestos operations and maintenance program, including without limitations the following:

- (a) Tenant(s) shall not take or allow any action which in any way disturbs or damages any part of the ceiling or loose tiles, such as drilling or boring of holes, hanging plants or other objects from the ceiling; painting or repairing the ceiling or any floor tiles; replacing smoke detectors or florescent lights located on the ceiling.
- (b) Tenant(s) shall notify Landlord immediately, and in writing if possible, if there is any water or other damage to or deterioration of the ceiling or any floor tiles in the Premises (including, without limitation, loose, cracking or hanging material or water stains or leaks).

Under no circumstances will compliance or performance of voluntary measures or any related alterations or removal or other abatement, management or monitoring of the asbestos and/or other substances relieve Tenant(s) obligations there under or under this Addendum, or constitute or be construed as a constructive or other eviction or Tenant(s) or interference with Tenant(s) right of quiet enjoyment of the Premises.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator

(Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

19 - 27

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
MOLD NOTIFICATION AGREEMENT

THIS AGREEMENT is made and entered into between The John Stewart Company, "Landlord", and
Tenant A **Tenant B**

"Tenant(s)".

Resident(s) is/are renting from Landlord the premises located at: 1201-A Bayside Dr., San Francisco, CA 94130.

It is the goal of the Landlord to maintain the highest quality of living environment for the Tenant of this property. Prior to your taking possession of the apartment listed above, and at the time of your move-in, the Landlord, or its authorized agent, has inspected the apartment and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident(s) is/are hereby notified that mold and mildew can grow on the surfaces in the apartment, it can cause mildew and mold to grow. It is important that Tenant regularly allow air to circulate in the apartment. It is also important that Tenant keep the interior of the apartment clean and that they promptly notify the Landlord, or its authorized agent, of any leaks, moisture problems and/or mold or mildew growth.

Tenant agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of mold or mildew. Tenant shall:

1. Keep the unit free of dirt and debris that can harbor mold or mildew.
2. Immediately report to the Landlord, or its authorized agent, any water intrusion such as plumbing leaks, drips or other moisture conditions.
3. Notify Landlord, or its authorized agent, of overflows from bathroom, kitchen or unit laundry facilities, especially in cases where the overflow may have penetrated the walls, cabinets, or flooring.
4. Report to the Landlord, or its authorized agent, any significant mold growth on surfaces inside the Premises.
5. Use bathroom exhaust fans while showering or bathing and report to the Landlord, or its authorized agent, immediately if the exhaust fan ceases to function properly.
6. Use exhaust fans whenever cooking, dishwashing, or cleaning.
7. Open bathroom windows (if applicable) while bathing, showering, or cleaning.
8. Use all reasonable care to close all windows and other opening in the Premises to prevent outdoor water from penetrating into the interior unit.
9. Clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold and mildew can grow on damp surfaces within 24 to 48 hours.)

10. Notify the Landlord or its authorized agent, or any problems with air conditioning or heating systems.
11. Tenant hereby agrees to indemnify and hold harmless the Landlord/Management from any actions, claims, losses, damages and expenses, including, but not limited to, attorney's fees that the Landlord/Management may sustain or incur as a result of the negligence of the Tenant or any guest or other person living in, occupying or using the Premises.

By signing below, Tenant (s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____
Administrator (Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____
(Date)

By: _____
(Date)

By: _____
(Date)

By: _____
(Date)

THE VILLAGES AT TREASURE ISLAND
MEGAN'S LAW

Notice: The California Department of Justice, sheriff departments, and police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access, a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. Pursuant to Section 290.46 of the penal code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and zip code in which he or she resides.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

By: _____ (Date) _____

THE VILLAGES AT TREASURE ISLAND
PARKING AGREEMENT

PARKING SPACE #: 1201-A

TENANT NAME(S):

Tenant A

Tenant B

ADDRESS: 1201-A Bayside Dr., SAN FRANCISCO, CA 94130

I have read, understand and agree to the following:

- 1) As used in this Parking Agreement, "the property" shall be defined as The Villages at Treasure Island and the areas managed by Landlord.
- 2) Each residential unit has assigned parking space(s) at the property.
- 3) Vehicle(s) of the household must be registered with the Landlord and issued a parking permit.
- 4) To apply for and be issued a parking permit, a vehicle's current registration, the registered owner's driver's license, and proof of insurance must be presented and reviewed by Landlord.
- 5) Permits must be renewed annually, at which time current documents are required. Permit(s) renewal coincides with residential lease renewal.
- 6) Vehicles parking at the property, not only vehicles in assigned space(s), must be issued and display a valid parking permit.
- 7) All vehicles must be currently registered, fully functional and in operable condition. Inoperable conditions include but are not limited to: flat tires; broken taillights, broken windows, missing bumpers, missing rear view mirrors, missing license plates.
- 8) Each Tenant with a vehicle that meets the requirements in this parking agreement is entitled to one (1) parking permit. Tenants who own two (2) vehicles may receive an additional permit. In no instance will a Tenant be issued more than two (2) permits.
- 9) Visitor parking spaces are for the sole use of visitors. Tenant may not use visitor parking spaces.
- 10) Visitor parking at the property shall be no more than 72 hours over a consecutive seven day period.
- 11) Parking is permitted in designated areas only. Parking is prohibited on lawns, sidewalks, red zones, and any areas that impinge on ingress and egress to any part of the property grounds or property facilities. Parked vehicles can not block fire hydrants or interfere with emergency vehicles. Double parking is prohibited.

- 12) Parking at the property is for residential use only. Certain vehicle types are prohibited from parking at the property. Prohibited vehicle types include, but are not limited to:
- a) Recreational vehicles, including jet skis, boats, trailers, and mobile homes.
 - b) Commercial vehicles, including commercial vans, commercial trucks, promotional vehicles, cabs and limousines.
 - c) Oversized vehicles, including vehicles with multiple rear axels, in excess of 3500 lbs or in excess of 7 feet in height or 15 feet in length.
 - d) Other vehicles inconsistent with residential use at the property.
- 13) No vehicle maintenance, improvement, and/or repair activities are to be performed anywhere at the property.
- 14) Vehicles at the property must be free of fluid leaks, including oil, coolant, and other fluids. Tenants who own vehicles that cause leaks or spills are responsible for immediately cleaning the area and making necessary repairs to prevent any future leaks.
- 15) Car washing or maintenance of any kind is prohibited at the property.
- 16) Vehicles in violations of this parking agreement will be subject to towing at the Tenant's expense.
- 17) Landlord reserves the right to revoke parking permits, with or without cause.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

Tenant (Date)

Tenant (Date)

Tenant (Date)

Tenant (Date)

Vehicle license plate number(s)

Parking Permit Number(s)

Make, model, & color of vehicle(s)

THE VILLAGES AT TREASURE ISLAND
PROHIBITING HOT TUBS

Tenant shall NOT install or operate or permit to be installed or operated any hot tubs (or other such appliances) inside or outside on the Premises.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

THE VILLAGES AT TREASURE ISLAND
CARBON MONOXIDE DISCLOSURE

This Addendum is entered into with respect to that certain Lease Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

Carbon Monoxide (CO) is a colorless, odorless and dangerous gas. Small concentrations of 10% CO in your blood can cause minor health problems. If Tenant notice "Flu-like" symptoms such as slight headache, nausea, vomiting, or fatigue, they may be experiencing mild CO exposure. Symptoms such as severe headaches, drowsiness, confusion, and accelerated heart rate could indicate a moderate degree of CO exposure. Extreme exposure may cause unconsciousness, convulsions, cardio respiratory failure, or death. Youth children, the elderly, and pets may be the first ones affected.

The CO detector installed in the apartments at the Villages continuously monitors the air quality. The detector alarms at multiple levels of exposure to carbon monoxide based on time weighted averages of the gas present. There is one light on the body of the detector which turns color to indicate various levels of CO. Green indicated that there are no detectable levels of CO present in the air. The light remains Green at all times, unless some level of CO has been detected. The light will turn Amber if low levels of CO are detected. This is a warning of a possible problem. If low levels are continuously detected over a longer period of time or if the detector measure CO at a high level, the light will turn Red and the alarm will sound. If the levels return to normal, the light will return to Green.

Based on information provided by the manufacturer and the contractor installing the detectors, in the event that a CO detector is activated, Tenant must adhere to the following protocol:

Light is Green at all times, unless CO has been detected.

If light turns Amber:

1. Ventilate the area by opening windows.
2. Turn the thermostat to the "off" position or to lowest temperature on the dial.
3. Call the Villages business office at 834-0211. Indicate that this is an emergency.

If light turn Red and alarm sounds:

1. Immediately ventilate or vacate the unit.
2. Turn furnace to "off" position or lowest setting on thermostat.
3. Call the Villages office at 834-0211. Indicate that this is an emergency.
4. Determine whether anyone has a headache or upset stomach, and respond to health concerns. (The elderly, children, and pets often experience symptoms earlier and to a greater degree.)
5. Do not reenter unit until it has been ventilated.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

By: _____

(Date)

1201-A Bayside Dr.

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT H

APPROVED RENTAL RATES

The Villages at Treasure Island 2014 Rent Schedule

Unit	Address	2014 Rent Schedule
0060-A	Yerba Buena Rd.	2104
0060-B	Yerba Buena Rd.	3073
0066-A	Yerba Buena Rd.	2401
0066-B	Yerba Buena Rd.	2273
0066-C	Yerba Buena Rd.	2401
0066-D	Yerba Buena Rd.	2401
0066-E	Yerba Buena Rd.	2401
0066-F	Yerba Buena Rd.	2561
0105-A	Forest Rd	2561
0105-B	Forest Rd	2433
0106-A	Forest Rd	2305
0106-B	Forest Rd	2388
0109-A	Forest Rd	2433
0109-B	Forest Rd	2433
0111-A	Forest Rd.	2401
0111-B	Forest Rd.	2401
0113-A	Forest Rd.	2401
0113-B	Forest Rd.	2401
0115-A	Forest Rd.	2305
0115-B	Forest Rd.	2401
0300-A	Nimitz Dr.	2416
0300-B	Nimitz Dr.	2693
0300-C	Nimitz Dr.	2416
0300-D	Nimitz Dr.	2693
0300-E	Nimitz Dr.	2416
0300-F	Nimitz Dr.	2693
0300-G	Nimitz Dr.	2416
0300-H	Nimitz Dr.	2416
0301-A	Macalla Ct.	2300
0301-B	Macalla Ct.	3041
0301-C	Macalla Ct.	2388
0301-D	Macalla Ct.	2417
0301-E	Macalla Ct.	2417
0301-F	Macalla Ct.	2416
0301-G	Macalla Ct.	2416
0301-H	Macalla Ct.	3045
0302-A	Nimitz Dr.	2561
0302-B	Nimitz Dr.	2561
0302-C	Nimitz Dr.	2817
0302-D	Nimitz Dr.	2817
0302-E	Nimitz Dr.	2945
0302-F	Nimitz Dr.	3045
0302-G	Nimitz Dr.	2561
0302-H	Nimitz Dr.	2561
0303-A	Nimitz Dr.	2761
0303-B	Nimitz Dr.	2895
0303-C	Nimitz Dr.	2895
0303-D	Nimitz Dr.	2895
0303-E	Nimitz Dr.	2895

The Villages at Treasure Island 2014 Rent Schedule

0303-F	Nimitz Dr.	3106
0303-G	Nimitz Dr.	2895
0303-H	Nimitz Dr.	2817
0304-A	Nimitz Dr.	2964
0304-B	Nimitz Dr.	2908
0304-C	Nimitz Dr.	2832
0304-D	Nimitz Dr.	2912
0304-E	Nimitz Dr.	2753
0304-F	Nimitz Dr.	3106
0304-G	Nimitz Dr.	3045
0304-H	Nimitz Dr.	3106
0324-A	Yerba Buena Rd.	3585
0324-B	Yerba Buena Rd.	3429
0324-C	Yerba Buena Rd.	3329
0324-D	Yerba Buena Rd.	3685
0325-A	Yerba Buena Rd.	3685
0325-B	Yerba Buena Rd.	3429
0325-C	Yerba Buena Rd.	3585
0325-D	Yerba Buena Rd.	3653
0326-A	Yerba Buena Rd.	3329
0326-B	Yerba Buena Rd.	3073
0327-A	Yerba Buena Rd.	3841
0327-B	Yerba Buena Rd.	3685
0328-A	Yerba Buena Rd.	2561
0328-B	Yerba Buena Rd.	2945
0328-C	Yerba Buena Rd.	2945
0328-D	Yerba Buena Rd.	3073
0329-A	Yerba Buena Rd.	3713
0329-B	Yerba Buena Rd.	3713
0331-A	Yerba Buena Rd.	3457
0331-B	Yerba Buena Rd.	3201
1108-A	Halyburton Ct.	2298
1108-B	Halyburton Ct.	2292
1108-C	Halyburton Ct.	2177
1108-D	Halyburton Ct.	2177
1109-A	Keppler Ct.	2388
1109-B	Keppler Ct.	2388
1109-C	Keppler Ct.	2643
1109-D	Keppler Ct.	2574
1109-E	Keppler Ct.	3024
1109-F	Keppler Ct.	2889
1110-A	Halyburton Ct.	2388
1110-B	Halyburton Ct.	2388
1110-C	Halyburton Ct.	2388
1110-D	Halyburton Ct.	2388
1111-A	Keppler Ct.	2388
1111-B	Keppler Ct.	2644
1111-C	Keppler Ct.	2042
1111-D	Keppler Ct.	2298
1112-A	Hutchins Ct.	2356
1112-B	Hutchins Ct.	2298

The Villages at Treasure Island 2014 Rent Schedule

1112-C	Hutchins Ct.	2298
1112-D	Hutchins Ct.	2388
1113-A	Keppler Ct.	2405
1113-B	Keppler Ct.	2388
1113-C	Keppler Ct.	2810
1113-D	Keppler Ct.	2567
1113-E	Keppler Ct.	2945
1113-F	Keppler Ct.	2689
1113-G	Keppler Ct.	2405
1113-H	Keppler Ct.	2405
1114-A	Hutchins Ct.	2356
1114-B	Hutchins Ct.	2388
1114-C	Hutchins Ct.	2388
1114-D	Hutchins Ct.	2356
1115-A	Keppler Ct.	2042
1115-B	Keppler Ct.	2042
1115-C	Keppler Ct.	2405
1115-D	Keppler Ct.	2298
1115-E	Keppler Ct.	2405
1115-F	Keppler Ct.	2388
1115-G	Keppler Ct.	2405
1115-H	Keppler Ct.	2405
1118-A	Hutchins Ct.	2305
1118-B	Hutchins Ct.	2356
1118-C	Hutchins Ct.	2356
1118-D	Hutchins Ct.	2356
1120-A	Reeves Ct.	2337
1120-B	Reeves Ct.	2298
1120-C	Reeves Ct.	2273
1120-D	Reeves Ct.	2399
1122-A	Reeves Ct.	2399
1122-B	Reeves Ct.	2388
1122-C	Reeves Ct.	2516
1122-D	Reeves Ct.	2337
1122-E	Reeves Ct.	2388
1122-F	Reeves Ct.	2042
1124-A	Reeves Ct.	2042
1124-B	Reeves Ct.	2388
1124-C	Reeves Ct.	2388
1124-D	Reeves Ct.	2388
1124-E	Reeves Ct.	2042
1124-F	Reeves Ct.	2209
1128-A	Reeves Ct.	2561
1128-B	Reeves Ct.	2388
1128-C	Reeves Ct.	2399
1128-D	Reeves Ct.	2644
1129-A	Mason Ct.	2266
1129-B	Mason Ct.	2388
1129-C	Mason Ct.	2768
1129-D	Mason Ct.	2561
1129-E	Mason Ct.	2298

The Villages at Treasure Island 2014 Rent Schedule

1129-F	Mason Ct.	2516
1129-G	Mason Ct.	2305
1129-H	Mason Ct.	2177
1131-A	Mason Ct.	2266
1131-B	Mason Ct.	2397
1131-C	Mason Ct.	2388
1131-D	Mason Ct.	2305
1131-E	Mason Ct.	2388
1131-F	Mason Ct.	2266
1133-A	Mason Ct.	2644
1133-B	Mason Ct.	2718
1133-C	Mason Ct.	2768
1133-D	Mason Ct.	2695
1133-E	Mason Ct.	2695
1133-F	Mason Ct.	2695
1133-G	Mason Ct.	2224
1133-H	Mason Ct.	2305
1135-A	Mason Ct.	2305
1135-B	Mason Ct.	2388
1135-C	Mason Ct.	2262
1135-D	Mason Ct.	2644
1135-E	Mason Ct.	2397
1135-F	Mason Ct.	2397
1135-G	Mason Ct.	2397
1135-H	Mason Ct.	2397
1137-A	Mason Ct.	2388
1137-B	Mason Ct.	2298
1137-C	Mason Ct.	2266
1137-D	Mason Ct.	2397
1141-A	Ozbourm Ct.	2388
1141-B	Ozbourm Ct.	2397
1141-C	Ozbourm Ct.	2298
1141-D	Ozbourm Ct.	2397
1141-E	Ozbourm Ct.	2679
1141-F	Ozbourm Ct.	2177
1143-A	Ozbourm Ct.	2433
1143-B	Ozbourm Ct.	2289
1143-C	Ozbourm Ct.	2417
1143-D	Ozbourm Ct.	2417
1143-E	Ozbourm Ct.	2353
1143-F	Ozbourm Ct.	2417
1145-A	Ozbourm Ct.	2417
1145-B	Ozbourm Ct.	2433
1145-C	Ozbourm Ct.	2695
1145-D	Ozbourm Ct.	2625
1145-E	Ozbourm Ct.	2567
1145-F	Ozbourm Ct.	2695
1147-A	Ozbourm Ct.	2397
1147-B	Ozbourm Ct.	2388
1147-C	Ozbourm Ct.	2768
1147-D	Ozbourm Ct.	2817

The Villages at Treasure Island 2014 Rent Schedule

1147-E	Ozbourn Ct.	2561
1147-F	Ozbourn Ct.	2768
1147-G	Ozbourn Ct.	2177
1147-H	Ozbourn Ct.	2298
1149-A	Ozbourn Ct.	2388
1149-B	Ozbourn Ct.	2305
1149-C	Ozbourn Ct.	2618
1149-D	Ozbourn Ct.	2298
1201-A	Bayside Dr.	2388
1201-B	Bayside Dr.	2417
1201-C	Bayside Dr.	2561
1201-D	Bayside Dr.	2695
1201-E	Bayside Dr.	2388
1201-F	Bayside Dr.	2305
1202-A	Mariner Dr.	2516
1202-B	Mariner Dr.	2305
1202-C	Mariner Dr.	2768
1202-D	Mariner Dr.	2768
1202-E	Mariner Dr.	2433
1202-F	Mariner Dr.	2433
1203-A	Bayside Dr.	2292
1203-B	Bayside Dr.	2100
1203-C	Bayside Dr.	2516
1203-D	Bayside Dr.	2388
1204-A	Mariner Dr.	2298
1204-B	Mariner Dr.	2644
1204-C	Mariner Dr.	2631
1204-D	Mariner Dr.	2567
1204-E	Mariner Dr.	2644
1204-F	Mariner Dr.	2516
1205-A	Bayside Dr.	2369
1205-B	Bayside Dr.	2435
1205-C	Bayside Dr.	2945
1205-D	Bayside Dr.	3108
1205-E	Bayside Dr.	2435
1205-F	Bayside Dr.	2307
1208-A	Mariner Dr.	2388
1208-B	Mariner Dr.	2516
1208-C	Mariner Dr.	2945
1208-D	Mariner Dr.	2695
1208-E	Mariner Dr.	2644
1208-F	Mariner Dr.	2388
1210-A	Mariner Dr.	2561
1210-B	Mariner Dr.	2768
1210-C	Mariner Dr.	2768
1210-D	Mariner Dr.	2810
1211-A	Bayside Dr.	2817
1211-B	Bayside Dr.	2817
1211-C	Bayside Dr.	3137
1211-D	Bayside Dr.	3137
1211-E	Bayside Dr.	2644

The Villages at Treasure Island 2014 Rent Schedule

1211-F	Bayside Dr.	2817
1212-A	Mariner Dr.	2516
1212-B	Mariner Dr.	2417
1212-C	Mariner Dr.	2561
1212-D	Mariner Dr.	2810
1212-E	Mariner Dr.	2516
1212-F	Mariner Dr.	2483
1213-A	Bayside Dr.	2516
1213-B	Bayside Dr.	2593
1213-C	Bayside Dr.	2889
1213-D	Bayside Dr.	3027
1213-E	Bayside Dr.	2426
1213-F	Bayside Dr.	2644
1214-A	Gateview Ct.	2388
1214-B	Gateview Ct.	2417
1214-C	Gateview Ct.	3027
1214-D	Gateview Ct.	2945
1214-E	Gateview Ct.	2132
1214-F	Gateview Ct.	2483
1215-A	Bayside Dr.	2593
1215-B	Bayside Dr.	2388
1215-C	Bayside Dr.	2369
1215-D	Bayside Dr.	2625
1215-E	Bayside Dr.	2644
1215-F	Bayside Dr.	2644
1217-A	Mariner Dr.	2516
1217-B	Mariner Dr.	2516
1217-C	Mariner Dr.	2768
1217-D	Mariner Dr.	2561
1217-E	Mariner Dr.	2417
1217-F	Mariner Dr.	2305
1218-A	Gateview Ct.	2388
1218-B	Gateview Ct.	2305
1218-C	Gateview Ct.	2810
1218-D	Gateview Ct.	2561
1218-E	Gateview Ct.	2516
1218-F	Gateview Ct.	2132
1219-A	Mariner Dr.	2516
1219-B	Mariner Dr.	2388
1219-C	Mariner Dr.	2695
1219-D	Mariner Dr.	2768
1219-E	Mariner Dr.	2644
1219-F	Mariner Dr.	2388
1221-A	Mariner Dr.	2516
1221-B	Mariner Dr.	2388
1221-C	Mariner Dr.	2695
1221-D	Mariner Dr.	2625
1221-E	Mariner Dr.	2388
1221-F	Mariner Dr.	2718
1224-A	Bayside Dr.	2433
1224-B	Bayside Dr.	2644

The Villages at Treasure Island 2014 Rent Schedule

1224-C	Bayside Dr.	2955
1224-D	Bayside Dr.	2955
1224-E	Bayside Dr.	2388
1224-F	Bayside Dr.	2305
1227-A	Northpoint Dr.	2388
1227-B	Northpoint Dr.	2388
1227-C	Northpoint Dr.	2945
1227-D	Northpoint Dr.	2625
1227-E	Northpoint Dr.	2388
1227-F	Northpoint Dr.	2388
1228-A	Gateview Ct.	2644
1228-B	Gateview Ct.	2388
1228-C	Gateview Ct.	2953
1228-D	Gateview Ct.	2955
1228-E	Gateview Ct.	2679
1228-F	Gateview Ct.	2516
1232-A	Northpoint Dr.	2388
1232-B	Northpoint Dr.	2644
1232-C	Northpoint Dr.	2561
1232-D	Northpoint Dr.	2945
1232-E	Northpoint Dr.	2644
1232-F	Northpoint Dr.	2644
1234-A	Northpoint Dr.	2388
1234-B	Northpoint Dr.	2644
1234-C	Northpoint Dr.	2945
1234-D	Northpoint Dr.	2842
1234-E	Northpoint Dr.	2260
1234-F	Northpoint Dr.	2644
1235-A	Northpoint Dr.	2260
1235-B	Northpoint Dr.	2132
1235-C	Northpoint Dr.	2817
1235-D	Northpoint Dr.	2955
1235-E	Northpoint Dr.	2211
1235-F	Northpoint Dr.	2132
1237-A	Northpoint Dr.	2567
1237-B	Northpoint Dr.	2388
1237-C	Northpoint Dr.	2369
1237-D	Northpoint Dr.	2561
1237-E	Northpoint Dr.	2132
1237-F	Northpoint Dr.	2566
1238-A	Northpoint Dr.	2417
1238-B	Northpoint Dr.	2388
1238-C	Northpoint Dr.	2695
1238-D	Northpoint Dr.	2695
1238-E	Northpoint Dr.	2388
1238-F	Northpoint Dr.	2305
1239-A	Northpoint Dr.	2516
1239-B	Northpoint Dr.	2388
1239-C	Northpoint Dr.	2164
1239-D	Northpoint Dr.	2177
1239-E	Northpoint Dr.	2388

The Villages at Treasure Island 2014 Rent Schedule

1239-F	Northpoint Dr.	2388
1239-G	Northpoint Dr.	2049
1239-H	Northpoint Dr.	2241
1240-A	Northpoint Dr.	2305
1240-B	Northpoint Dr.	2305
1240-C	Northpoint Dr.	2369
1240-D	Northpoint Dr.	3033
1240-E	Northpoint Dr.	2644
1240-F	Northpoint Dr.	2042
1241-A	Northpoint Dr.	2388
1241-B	Northpoint Dr.	2388
1241-C	Northpoint Dr.	2625
1241-D	Northpoint Dr.	2945
1241-E	Northpoint Dr.	2516
1241-F	Northpoint Dr.	2644
1242-A	Northpoint Dr.	2416
1242-B	Northpoint Dr.	2417
1242-C	Northpoint Dr.	2561
1242-D	Northpoint Dr.	2042
1242-E	Northpoint Dr.	2561
1242-F	Northpoint Dr.	2132
1245-A	Northpoint Dr.	2042
1245-B	Northpoint Dr.	2644
1245-C	Northpoint Dr.	2689
1245-D	Northpoint Dr.	2693
1245-E	Northpoint Dr.	2516
1245-F	Northpoint Dr.	2289
1247-A	Exposition Dr.	2305
1247-B	Exposition Dr.	2417
1247-C	Exposition Dr.	2625
1247-D	Exposition Dr.	2132
1247-E	Exposition Dr.	2305
1247-F	Exposition Dr.	2417
1249-A	Exposition Dr.	2644
1249-B	Exposition Dr.	2516
1249-C	Exposition Dr.	2625
1249-D	Exposition Dr.	2516
1249-E	Exposition Dr.	2305
1249-F	Exposition Dr.	2516
1250-A	Exposition Dr.	2644
1250-B	Exposition Dr.	2132
1250-C	Exposition Dr.	2369
1250-D	Exposition Dr.	2631
1250-E	Exposition Dr.	2119
1250-F	Exposition Dr.	2644
1253-A	Exposition Dr.	2644
1253-B	Exposition Dr.	2516
1253-C	Exposition Dr.	2900
1253-D	Exposition Dr.	2945
1253-E	Exposition Dr.	2132
1253-F	Exposition Dr.	2469

The Villages at Treasure Island 2014 Rent Schedule

1301-A	Gateview Ave	3198
1301-B	Gateview Ave	2810
1301-C	Gateview Ave	2810
1301-D	Gateview Ave	2727
1302-A	Avenue B	2689
1302-B	Avenue B	2905
1302-C	Avenue B	2983
1302-D	Avenue B	2945
1302-E	Avenue B	2983
1302-F	Avenue B	2983
1303-A	Gateview Ave	2842
1303-B	Gateview Ave	2845
1303-C	Gateview Ave	2841
1303-D	Gateview Ave	2945
1303-E	Gateview Ave	2842
1303-F	Gateview Ave	2842
1304-A	Avenue B	2689
1304-B	Avenue B	2689
1304-C	Avenue B	2689
1304-D	Avenue B	3137
1304-E	Avenue B	2689
1304-F	Avenue B	3111
1305-A	Gateview Ave	3105
1305-B	Gateview Ave.	2841
1305-C	Gateview Ave	2841
1305-D	Gateview Ave	2842
1306-A	Gateview Ave.	2978
1306-B	Gateview Ave	3137
1306-C	Gateview Ave.	3050
1306-D	Gateview Ave.	2981
1306-E	Gateview Ave.	2810
1306-F	Gateview Ave.	3137
1307-A	Gateview Ave	3225
1307-B	Gateview Ave	3196
1307-C	Gateview Ave	3137
1307-D	Gateview Ave	3009
1307-E	Gateview Ave	3137
1307-F	Gateview Ave	3073
1308-A	Gateview Ave.	2810
1308-B	Gateview Ave.	2945
1308-C	Gateview Ave.	2945
1308-D	Gateview Ave.	2828
1308-E	Gateview Ave.	2700
1308-F	Gateview Ave.	2828
1309-A	Gateview Ave	3225
1309-B	Gateview Ave	3225
1309-C	Gateview Ave	3225
1309-D	Gateview Ave	3137
1309-E	Gateview Ave	3225
1309-F	Gateview Ave	3047
1310-A	Gateview Ave.	2810

The Villages at Treasure Island 2014 Rent Schedule

1310-B	Gateview Ave.	2689
1310-C	Gateview Ave.	2689
1310-D	Gateview Ave.	2625
1310-E	Gateview Ave.	2810
1310-F	Gateview Ave.	2689
1311-A	Gateview Ave	3137
1311-B	Gateview Ave	3225
1311-C	Gateview Ave	3225
1311-D	Gateview Ave	3225
1311-E	Gateview Ave	3225
1311-F	Gateview Ave	2839
1312-A	Gateview Ave.	2828
1312-B	Gateview Ave.	2810
1312-C	Gateview Ave.	2754
1312-D	Gateview Ave.	2561
1312-E	Gateview Ave.	2810
1312-F	Gateview Ave.	2828
1313-A	Gateview Ave	2955
1313-B	Gateview Ave	2810
1313-C	Gateview Ave	2945
1313-D	Gateview Ave	2955
1313-E	Gateview Ave	2689
1313-F	Gateview Ave	2955
1314-A	Gateview Ave.	3137
1314-B	Gateview Ave.	3137
1314-C	Gateview Ave.	3137
1314-D	Gateview Ave.	3137
1315-A	Gateview Ave	3035
1315-B	Gateview Ave	2945
1315-C	Gateview Ave	3035
1315-D	Gateview Ave	3035
1315-E	Gateview Ave	3035
1315-F	Gateview Ave	2810
1316-A	Gateview Ave.	2967
1316-B	Gateview Ave.	2951
1316-C	Gateview Ave.	2967
1316-D	Gateview Ave.	2561
1316-E	Gateview Ave.	2810
1316-F	Gateview Ave.	2810
1325-A	Westside Dr.	3137
1325-B	Westside Dr.	3073
1325-C	Westside Dr.	3137
1325-D	Westside Dr.	3137
1400-A	Sturgeon St.	2113
1400-B	Sturgeon St.	2049
1400-C	Sturgeon St.	2113
1400-D	Sturgeon St.	2113
1400-E	Sturgeon St.	2113
1400-F	Sturgeon St.	2113
1402-A	Sturgeon St.	2113
1402-B	Sturgeon St.	2113

The Villages at Treasure Island 2014 Rent Schedule

1402-C	Sturgeon St.	2113
1402-D	Sturgeon St.	2189
1402-E	Sturgeon St.	2241
1402-F	Sturgeon St.	2049
1404-A	Sturgeon St.	2113
1404-B	Sturgeon St.	2113
1404-C	Sturgeon St.	2113
1404-D	Sturgeon St.	2127
1404-E	Sturgeon St.	2241
1404-F	Sturgeon St.	2042
1418-A	Striped Bass St.	2113
1418-B	Striped Bass St.	2241
1418-C	Striped Bass	2113
1418-D	Striped Bass	2113
1418-E	Striped Bass	2113
1418-F	Striped Bass	2241
1420-A	Striped Bass	2100
1420-B	Striped Bass	2067
1420-C	Striped Bass	2127
1420-D	Striped Bass	2113
1420-E	Striped Bass	2369
1420-F	Striped Bass	2241
1430-A	Halibut Ct.	2251
1430-B	Halibut Ct.	2049
1430-C	Halibut Ct.	2113
1430-D	Halibut Ct.	2174
1430-E	Halibut Ct.	2113
1430-F	Halibut Ct.	2324
1431-A	Halibut Ct.	2113
1431-B	Halibut Ct.	2113
1431-C	Halibut Ct.	2113
1431-D	Halibut Ct.	2113
1431-E	Halibut Ct.	2113
1431-F	Halibut Ct.	2113
1436-A	Chinook Ct.	2113
1436-B	Chinook Ct.	2127
1436-C	Chinook Ct.	2049
1436-D	Chinook Ct.	2113
1436-E	Chinook Ct.	2113
1436-F	Chinook Ct.	2113
1437-A	Chinook Ct.	2113
1437-B	Chinook Ct.	2113
1437-C	Chinook Ct.	2113
1437-D	Chinook Ct.	2154
1437-E	Chinook Ct.	2154
1437-F	Chinook Ct.	2100
1438-A	Chinook Ct.	2113
1438-B	Chinook Ct.	2049
1438-C	Chinook Ct.	2127
1438-D	Chinook Ct.	2113
1438-E	Chinook Ct.	2113

The Villages at Treasure Island 2014 Rent Schedule

1438-F	Chinook Ct.	2241
1439-A	Chinook Ct.	2113
1439-B	Chinook Ct.	2113
1439-C	Chinook Ct.	2127
1439-D	Chinook Ct.	2241
1439-E	Chinook Ct.	2113
1439-F	Chinook Ct.	2113
1444-A	Croaker Ct.	2113
1444-B	Croaker Ct.	2172
1444-C	Croaker Ct.	2113
1444-D	Croaker Ct.	1985
1444-E	Croaker Ct.	2356
1444-F	Croaker Ct.	2301
1449-A	Croaker Ct.	1921
1449-B	Croaker Ct.	2127
1449-C	Croaker Ct.	2125
1449-D	Croaker Ct.	2113
1449-E	Croaker Ct.	2113
1449-F	Croaker Ct.	2100

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

**EXHIBIT I
UTILITIES**



STANDARD UTILITIES AND SERVICES AND RATES
TREASURE ISLAND/YERBA BUENA ISLAND MARKET-RATE HOUSING

as of July 1, 2014

<u>Utility Service</u>	<u>Rate</u>	<u>Unit</u>
Electric	Flat rate	
Water	Flat rate	
Sewer	Flat rate	
Gas	Flat rate	
<hr/>		
Total Utility Rate:	\$335.56 per Month per Residential Unit	



**Memorandum of Understanding between the Treasure Island Development Authority
(TIDA) and the San Francisco Public Utilities Commission (SFPUC)
Regarding Naval Station Treasure Island Utility Services during the Term of the Base
Caretaker Cooperative Agreement between TIDA and the U.S. Navy**

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into as September __, 2013, by and between the **CITY AND COUNTY OF SAN FRANCISCO** ("City"), a municipal corporation acting by and through the San Francisco Public Utilities Commission ("SFPUC"), and the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California non-profit public benefit corporation ("TIDA"), collectively, the "parties", upon the following facts, intentions and understandings of the parties:

RECITALS

A. In 1993, Naval Station Treasure Island ("NSTI"), consisting of both Treasure Island and portions of Yerba Buena Island, was designated for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510 and its subsequent amendments. The Department of Defense subsequently designated the City and County of San Francisco ("City"), and later TIDA, as the Local Reuse Authority ("LRA") responsible for the conversion of NSTI under the federal disposition process.

B. TIDA was created in 1997 to serve as a single-purpose entity responsible for the redevelopment of NSTI. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated TIDA as a redevelopment agency under the California Community Redevelopment Law with authority over NSTI, and (2) with respect to those portions of NSTI that are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust" or "Trust"), vested in TIDA the authority to administer the Tidelands Trust as to such property in accordance with the terms of the Act.

C. The City and the Navy entered into the Base Caretaker Cooperative Agreement executed March 12, 1997, as amended from time to time (collectively, the "Cooperative Agreement"), for the interim management and operation of NSTI during the disposition process. Under the Cooperative Agreement, the City assumed responsibility for certain caretaker duties at NSTI including the operation, maintenance and repair of the Navy's utility systems that service NSTI. These caretaker responsibilities were later assumed by TIDA in 1998.

D. In January 2012 in response to AB26, the Board of Supervisors rescinded its designation of the TIDA as the redevelopment agency under California Community Redevelopment Law, but preserved TIDA's status as the LRA for NSTI and all other powers and authority that the City had granted to TIDA or that TIDA otherwise had.

E. The Cooperative Agreement includes various Function Annexes that describe in detail the caretaker duties for which TIDA is responsible under the Cooperative Agreement. Functional Annex 6 – Utilities Services – describes the Caretaker responsibilities for the

operation and maintenance of utilities systems at NSTI that TIDA is responsible to provide. The SFPUC has provided utility services on NSTI on behalf of TIDA, including the operation and maintenance of the active NSTI utility systems and the delivery of utilities to the occupants and users of NSTI. SFPUC activities include delivery of electricity, gas, water, stormwater and the operation and maintenance of the existing wastewater treatment plant and related facilities and pipe network on NSTI. Because the utility related facilities are not owned by the City or TIDA and have not been accepted by the Board of Supervisors pursuant to City ordinances, these utilities are not under the jurisdiction of the SFPUC. The SFPUC has been performing utility services for TIDA to the extent it can be reimbursed by NSTI utility revenues imposed or collected by TIDA, or other TIDA revenues. To date, the SFPUC has performed utility services at NSTI without a formal agreement with TIDA, and the purpose of this MOU is to memorialize the terms and conditions of continued performance of certain defined utility services.

F. In 2011, the City, TIDA and Treasure Island Community Development, LLC. ("TICD"), entered into three related agreements: a Disposition and Development Agreement (the "DDA") between TIDA and TICD; a Development Agreement (the "DA") between the City and TICD; and an Interagency Cooperation Agreement (the "ICA") between the City and TIDA (for reference purposes, all of these agreements are dated as of June 28, 2011). The DDA details a phased program for the development of NSTI including an Infrastructure Plan, Exhibit FF to the DDA, which describes the future utilities to be constructed by TICD as part of the development project.

G. TIDA is negotiating with the Navy an Economic Development Conveyance Memorandum of Agreement (the "EDC MOA") seeking conveyance of all of NSTI other than the portions that the Navy previously conveyed to the United States Department of Labor Job Corps, the United States Coast Guard and the Federal Highway Administration through federal-to-federal transfers. The portions of NSTI that are subject to the EDC Application are collectively referred to in this MOU as the "Property". Following execution of the EDC MOA, the Navy will transfer the Property to TIDA, as the designated LRA, in phases in accordance with the conditions set forth in the EDC MOA (the "Transfer"). The EDC MOA will address the obligations of the Navy and TIDA with respect to maintenance, operation, and replacement of utility systems during the course of the Transfer process through a Utility Agreement that is being negotiated between TIDA and the Navy. The parties anticipate that TIDA and the SFPUC will negotiate a new MOU, or an amendment to this MOU, related to utility services provided under the term of the EDC MOA and Utility Agreement.

H. For purposes of this MOU utility infrastructure on the Property that has not yet been transferred to the City is referred to as "Pretransfer Infrastructure."

I. The parties acknowledge that the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. Given the state of the existing infrastructure, the SFPUC may not be able to provide utility services on NSTI equivalent to the services that SFPUC provides in the other areas of San Francisco, pending construction, dedication and acceptances of new utility systems. SFPUC has worked with TIDA on plans for long term capital improvements to the substandard infrastructure through the redevelopment of NSTI.

NOW, **THEREFORE**, the parties hereto agree as follows:

1. **Term.** The term of this MOU will commence on the date on which the parties hereto have executed and delivered this MOU and will expire, unless sooner terminated, on September 30, 2014, unless amended by the parties in writing.

2. **Provision of Utility Services.**

(a) During the Term, the SFPUC agrees that it will continue to provide utility services for, and on behalf of, TIDA on NSTI consistent with past practices, and to the extent feasible given the condition of the utility systems and related infrastructure (the "Services"). These Services are described in Functional Annex 6 of the current Cooperative Agreement with noted exceptions and amendments as shown on Exhibit A, attached hereto, and subject to the terms and conditions of this MOU. The scope of the Services may be amended by written agreement between the parties hereto. In no event shall the SFPUC be required to continue to provide the Services if TIDA fails to fulfill its payment obligations set forth in Section 3 below.

(b) The parties acknowledge that all Services rendered by the SFPUC to TIDA hereunder are as a contractor, not as a public utility provider, and the SFPUC's expenditure authority in providing the Services is limited to the funds realized under Section 3 below as payment for the Services. These payments are expected to include funds for the day-to-day operation and maintenance of the Pretransfer Infrastructure, including any claims or judgments, so that the SFPUC is made whole.

(c) The Navy, as the owner of NSTI, has responsibility for investigating and remediating Hazardous Materials consistent with Federal and State law, and the terms of the pending EDC MOA. TIDA is responsible for conveying information concerning Navy activities to SFPUC and developing and distributing Health and Safety Plans for the use of SFPUC employees performing services under this MOU. TIDA agrees to inform SFPUC as soon as practicable of any work that the Navy is performing as part of the remediation or otherwise, that will impact Navy infrastructure that the SFPUC is responsible under this MOU to service. TIDA agrees to convey as built drawings of any repaired or replaced Navy infrastructure to the SFPUC as soon as practicable. Upon SFPUC's request, TIDA will schedule meetings with the persons most knowledgeable about the Navy's remediation activities in order to provide current information to the SFPUC.

(d) The SFPUC will inform TIDA of all known conditions related to providing Services that could result in threats to public health and safety or regulatory violations due to infrastructure failure. The SFPUC conducted a condition assessment of certain utility infrastructure on NSTI, and provided those reports to TIDA. In addition, the SFPUC provided TIDA an assessment and cost estimate for the most immediate necessary capital improvements for the existing utilities on NSTI, including system reliability, regulatory compliance, and public/worker safety. TIDA is pursuing Board approval of capital funding in the amount of \$10 Million to address critical near term repairs to the existing infrastructure. SFPUC will coordinate with TIDA in the implementation of those capital repair projects.

(e) SFPUC will not continue to provide Services if conditions at NSTI work locations present a threat to the health and safety of SFPUC staff or contractors. SFPUC shall notify TIDA when it becomes aware of circumstances that pose an immediate or near term threat to the health or safety of SFPUC staff or others. Immediate threats to the health or safety of SFPUC staff will result in the immediate cessation of applicable Services until TIDA, or a third party, remedies the unsafe situation to a satisfactory level to permit the continuation of the applicable Services. Near term threats to the health or safety of SFPUC staff will be reported by the SFPUC to TIDA with a summary of work needed to remedy the unsafe situation, including an estimated timeframe for how long the SFPUC will be able to safely provide utility services before the situation must be remedied.

(f) As noted in Recital I above, the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. SFPUC is not responsible for permit or regulatory violations that result from facilities that the SFPUC has notified TIDA are in need of repair or replacement. SFPUC currently prepares, and will continue to prepare, the reports for state and federal wastewater, stormwater, air emissions and drinking water permits for the Navy, but the Navy is responsible for certifying and submitting those reports. The Navy is also responsible for meeting any permit violation reporting requirements. The SFPUC currently uploads, and will continue to upload data to C.I.W.Q.S, but the Navy is ultimately responsible for certifying all monitoring data and reporting.

(g) TIDA is responsible under the Cooperative Agreement for communications with the Navy and all third parties on NSTI regarding the conditions of the utility systems, and any interruptions to Services. The SFPUC will assist as needed in any such communications.

3. Compensation.

(a) TIDA shall pay, or cause the SFPUC to be paid by the occupants of NSTI, for the costs to perform the Services, including any claims or judgments arising from such performance, such that the SFPUC is made whole (without penalty or profit). The SFPUC shall recommend to TIDA annual budgets and supplemental budgets as needed to perform the Services and the parties will meet and discuss all recommended repairs, upgrades and ongoing utility costs, and continue to make adjustments to budgets and charges as needed. The SFPUC agrees to invoice NSTI residents and businesses consistent with existing practices. The parties will meet and confer to discuss recommended changes to charges. All amounts collected by the SFPUC from NSTI residents and businesses shall be credited against amounts otherwise due and owing from TIDA to the SFPUC under this MOU.

(b) In January 2009, the Board of Supervisors approved an agreement between the SFPUC and TIDA, where TIDA agreed to make payments to the SFPUC in the amounts set forth in the Memorandum of Understanding Regarding Utility Rate Adjustments, to reimburse the SFPUC for unpaid amounts of utility services provided during Fiscal Years 1997/1998 through 2005/2006 over a term extending to the Fiscal Year 2018/2019, and TIDA shall continue to make those payments pursuant to such MOU until all the payments have been made.

(c) The parties further agree to meet and confer on a regular basis to review charges and payment amounts and make recommendations as to changes if appropriate.

4. **Cooperation.** The SFPUC and TIDA agree to cooperate with one another to implement the terms of this MOU in good faith, and shall meet regularly to discuss utilities operations and maintenance matters at NSTI.

5. **Notices.** Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by regular mail, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by facsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Address for SFPUC: 525 Golden Gate Ave,
13th Floor
San Francisco, CA 94103
Attn: Harlan L. Kelly Jr., General Manager
Telephone No: (415) 554-4704
Email: HKelly@sfgwater.org

Address for the Authority: 1 Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130
Attn: Robert Beck, Treasure Island Director
Fax No: (415) 274-0662
Telephone No: (415) 274-0660
Email: bob.beck@sfgov.org

7. **Miscellaneous Provisions.**

a. **California Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California and the City, including the City's Charter.

b. **Entire Agreement.** Subject to any subsequent agreements authorized pursuant to this Agreement, this Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Agreement.

c. **Amendments.** No amendment of this Agreement or any part hereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. **No Party Drafter: Captions.** The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any

section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

e. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

f. Necessary Approvals. This Agreement may be subject to approval by the San Francisco Public Utilities Commission and the Treasure Island Development Authority, each in its sole and absolute discretion.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SFPUC:

THE AUTHORITY:

CITY AND COUNTY OF SAN
FRANCISCO, acting by and through its
Public Utilities Commission

TREASURE ISLAND DEVELOPMENT
AUTHORITY, a California public benefit
corporation

By: 

Harlan L. Kelly, Jr.
General Manager

By: 

Robert Beck
Treasure Island Director

Approved as to form:

Dennis J. Herrera,
City Attorney

By: 

Deputy City Attorney

Exhibit A

Description of the Services

The attached Functional Annex 6 from the Cooperative Agreement between the US Navy and the City and County of San Francisco outlines "Caretaker" responsibilities for the maintenance and operation of existing utility systems on the for Naval Station Treasure Island / Yerba Buena Island (NAVSTA TI/YBI) assumed by the City and County under the Cooperative Agreement.

Bold parenthetical comments [**Example**] are provided to clarify the Caretaker roles assumed by the Treasure Island Development Authority (TIDA) and San Francisco Public Utilities Commission (SFPUC) under this MOU and to provide clarifying language for certain other terms.

FUNCTIONAL ANNEX 6

UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides for maintenance and operation of electric, natural gas, sanitary sewer, sewage treatment and storm sewer systems by the Caretaker as well as for establishment of rates and collection of revenue to offset operating costs.

6.1.2. The Caretaker may use Building 264 and storage lot 292 at Treasure Island for performance of the Utilities Services function.

6.2. Concept of Operations

6.2.1. Lease of Utility Systems to the Treasure Island Development Authority: It is the intent of the Caretaker to enter into a lease for Navy owned utility systems serving Naval Station Treasure by the signing of EDC/LIFO for the property. Prior to execution of the planned lease, and within the term of this agreement, the Caretaker will operate utility systems in accordance with requirements of this Annex and of the Technical Execution Plan for Utilities Management which is attached to and made part of this agreement. After execution of the lease, provisions of this agreement pertaining to utilities operations will be extinguished and requirements of the lease will prevail.

6.2.2. Assumption of Environmental and Operating Permits by the Caretaker: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. Specific schedules for transfer of the below listed permits shall be included in the EDC MOA, LIFO and any other leases entered into by the Navy and the Caretaker. **[The SFPUC will perform the services described in this section in accordance with Sec 2(f) of this MOU]**

- State of Calif. – Health and Welfare Agency, Water Supply Permit No. 02-04-96P-3810702
- BAAQMD Permit to Operate Air Emissions Sources for Plant # 479
- RWQCB NPDES General Storm Water Permit No. CAS000001 for Facility WDD No. 238S012140
- RWQCB NPDES Waste Water Treatment Plant Permit No. CA0110116 Operations Under This Agreement Prior to Leasing
- California Department of Public Works Permit S.F.O.B.B. #16 of 22 November 1944

6.2.3. Operations

6.2.3.1. The Caretaker [SFPUC] will operate and maintain utility systems at Treasure Island and

Yerba Buena Island, as described in the applicable Technical Execution Plan (see paragraph 6.2.3.3), including electric, natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker [TIDA] will defray associated costs through revenue generated by charging uniform rates established by the Caretaker [TIDA].

6.2.3.2. All storage and handling of materials and equipment necessary for utility maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.3.3. The Technical Execution Plan (TEP) for this annex is attached and made part of this agreement. The Caretaker [SFPUC] agrees to conform to the requirements and guidelines of the TEP that defines the extent of Caretaker [SFPUC] responsibility for utilities operations as well as specific operating procedures.

6.2.4. Purchase of Utility Commodities: The Caretaker [SFPUC] will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base. **[East water pump station is currently inactive; back-up electrical power provisions already fulfilled]** The Caretaker remains responsible per modification P00009 of this agreement, and agrees to make payment for back-up electrical power delivered to Treasure Island under Navy contract during fiscal year 1999. Payment will be made by the Caretaker directly to the Pacific Gas and Electric Co. upon submission of invoices by that company to the Navy.

6.2.5. Recovering Funds for Consumption by the Navy: Consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy consumption is itemized in figure 6-1. Total annual charges will not exceed \$48,139.92 annually or \$4,011.66 per month.

Annex 6, Figure 6-1 Navy Liability for Utilities Consumption September 99					
Notes	Use	Consumption Chargeable Monthly	Rate	Monthly cost	Annual Cost
[1]	Electricity for CSO (B's 1 and 570)	24 MWH	\$121.34	\$2,912.16	\$34,945.92
[2]	Natural gas for CSO (B's 1 and 570)	197 MCF	\$5.10	\$1,004.70	\$12,056.40
[3]	Water for CSO	10KGAL	\$4.59	\$45.90	\$550.80
[4]	Sewer for CSO	10KGAL	\$4.89	\$48.90	\$586.80
Totals				\$4,011.66	\$48,139.92

Notes:

[1] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24MWH / month

[2] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year

[3] 30 GPD / person, 22 days per month assuming average staff including contractors of 15.

[4] equal to domestic water consumption by CSO

6.2.5 System Extension and Provision of New Service

6.2.5.1. New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker [SFPUC] will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker [TIDA] will recover costs for such work for other Federal users directly from the *benefiting* agency. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

6.2.5.2. New Services Required by Lessees or Licensees: The Caretaker [TIDA] may also provide [authorize] system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker [TIDA] directly from the benefiting Lessee or Licensee and will not be charged to the Navy. **[All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]**

TECHNICAL EXECUTION PLAN UTILITES MANAGEMENT

Paragraph Contents

1.0	Purpose	40
2.0	Background	40
3.0	Systems Definition, Extent of Caretaker Responsibility	40
4.0	Organization and Communication	42
5.0	Preventive Maintenance & Repair	42
6.0	Trouble Call Response and Reporting	43
7.0	Emergency Response	43
8.0	System Extension and Provision of New Service	44
9.0	Billing & Payment for Utilities Consumption	44
10.0	Equipment Purchases	44
11.0	Outage Management	45
12.0	Excavation Management	45
13.0	Marking Utilities Locations	46
14.0	Maintenance of Government Furnished Vehicles	46
15.0	Environmental Permit Management	46
16.0	Responding to Environmental Hazards	47

Tables

6-1	Deleted	
6-2	Labor House & Response Targets	43
15-1	Environmental Permits For Which The Caretaker Will Perform Monitoring and Reporting	47

Appendix

A	Utilities Trouble/Emergency Call Reporting Procedures and Important Caretaker/Navy Call List	49
B	Glossary of Terms and Abbreviations	51

TECHNICAL EXECUTION PLAN UTILITIES MANAGEMENT

Ref : (a) Cooperative Agreement between the City and County of San Francisco and the U.S. Navy, N62474-97-2-0003, Mod P00012 (period of 01 October 2001 through 30 September 2001)

1.0 Purpose

This document provides general operational procedures for the management of the electric, water, natural gas, and sewer systems on Treasure Island (TI) and Yerba Buena Island (YBI).

2.0 Background (Not used)

3.0 Systems Definitions, Extent of Caretaker Responsibility for Utilities Distribution

The physical extent of each utility system that will be maintained by the Caretaker [SFPUC] is as described below. These descriptions apply to all elements of systems on Treasure Island and Yerba Buena Island and water and electric systems deriving in Emeryville and Oakland respectively with the exception of elements of systems serving the U.S. Coast Guard on Yerba Buena Island which are beyond designated service points and within the boundaries of Coast Guard owned property. The Caretaker [TIDA] will establish responsibilities within the Coast Guard boundaries through direct negotiations with the Coast Guard.

3.1 Water System: Facilities that are operated and maintained by the Caretaker [SFPUC] under the Cooperative agreement consist of the existing water delivery facilities at NAVSTA TI/YBI including:

3.1.1. Supply and delivery pipelines, originating at the supply points for NAVSTA TI/YBI from San Francisco City Distribution System and from the East Bay Municipal Utility District (EBMUD). The Caretaker [SFPUC; if/when connection utilized] agrees to conform to all requirements of California Department of Transportation S.F.O.B.B. Permit No. 16 Dated 22 November 1944 as it pertains to operation of the pipeline originating at the East Bay Municipal Utility District service point in Emeryville to the last (upstream) point of attachment of the Bay Bridge on YBI.

3.1.2. Water storage facilities

3.1.3. Water pumping and chlorinating stations

3.1.4. The water pumping station located in pier E23 of the east span of the San Francisco Bay Bridge.

3.1.5. All supply lines that cross through or under any leased or non-leased building for facility that do not serve that building or facility.

3.1.6. For metered buildings and facilities, the Caretaker [SFPUC] responsibility ends at the first valve or meter upstream of the building or facility.

3.1.5. For building and Facilities that are not metered, the Caretaker [SFPUC] responsibility will include all supply lines and water system facilities up to five (5) feet from any building or facility.

3.2 Sanitary Sewer System: Facilities which are operated and maintained by the Caretaker [SFPUC] consist of the existing sanitary sewer collection and pumping facilities at NAVSTA TI/YBI, including:

3.2.1. Waste water treatment plant including all facilities within the perimeter fence of the plant and including all piping and appurtenant facilities to the point of discharge to San Francisco Bay.

3.2.2 Waste water-pumping stations [and associated control rooms]

3.2.3 Mainline sewers

3.2.4 Forced mains

3.2.5 Collection and service sewers to the limit of lease holding for leased facilities.

3.2.6 For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] a point five (5) feet from the foundation of the building or facility.

3.3 Storm Water System: Facilities which are operated and maintained by the Caretaker [SFPUC] consist of the existing storm water collection and discharge facilities at NAVSTA TI/YBI including:

3.3.1 Storm water collections system from the transition structure of surface flow entering the below surface piping (including drop inlets and other collection structures). Surface and street flows are not included.

3.3.2 Storm water-pumping stations

3.3.3 Storm water outfalls

3.4 Natural Gas System: Natural gas is delivered to NAVSTA TI/YBI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery. The responsibility of the Caretaker [SFPUC] is for all facilities downstream of PG&E facilities including:

3.4.1 Supply and delivery pipeline downstream of the main meter and pressure reduction station located on NAVSTA TI/YBI.

3.4.2 Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non-occupied buildings and facilities.

3.5 Electrical Distribution System: Facilities that are operated and maintained by the Caretaker [SFPUC] consist of the existing transformational and distribution facilities at NAVSTA TI/YBI including:

3.5.1 The entire high voltage transmission line serving Treasure Island originating at the point of connection to the breakers at the Port of Oakland's Davis Substation at Point Arnold including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base [now Port of Oakland and City of Oakland], the underground element extending from the Oakland Army Base including the junction with the submarine section of the line and the submarine

section including the junction and the underground section of line at Treasure Island to the point of connection at the main Treasure Island substation.

3.5.2 Main substation at NAVSTA TI/YBL

3.5.3 Distribution system and related equipment between the substations and the end users.

3.5.4 For metered buildings and facilities, service up to and including the meter.

3.5.5 For building and facilities which are not metered or which have dedicated switch-gear or transformers at the building or facility, service to the low side of the dedicated switch-gear or transformer and shall include the dedicated switch gear or transformer.

3.5.6 For buildings and facilities which are not metered and which do not have dedicated switch-gear or transformers at buildings or facilities, service to the weatherhead, building perimeter, or equipment connection.

3.5.7 The Davis Substation at the Fleet and Industrial Supply Center [Now Port of Oakland], Oakland, CA.

4.0 Organization and Communication

4.1 Caretaker and Navy: Although there is no requirement for regular meetings between the Caretaker [TIDA] and the Navy, all essential communications (status of environmental clean-up projects, etc.) with the Navy shall be conducted with the appropriate Navy SWDIV ("Southwest Division," the Navy's Facilities Management Headquarters located in San Diego) representative. Notification of planned outages or any other pertinent utilities information shall be forwarded to the Navy Caretaker Site Office with the same consideration and priority as extended to any other utility customer served by the Caretaker.

4.1.1 The Caretaker's Representative is:

Robert Beck
Office: Treasure Island, Building 1
Phone: (415) 274-0662

4.1.2 The Navy Representative is:

Patricia McFadden
Office: Treasure Island, Building 1
Phone: (415) 743-4720

5.0 Preventative Maintenance & Repair Work: Regularly scheduled preventive maintenance and all non-emergency repair work will be executed as determined necessary by the Caretaker [SFPUC; subject to funding availability]. Financial reporting [by TIDA] to the appropriate Navy representative is required by provisions of the Cooperative Agreement.

6.0 Trouble Call Response and Reporting

6.1 Origin and Reception of Trouble Calls: Trouble calls may be initiated by any customer by calling 311. The 311 Operator will, in turn, direct calls requiring response that falls within the scope of the CA to the appropriate Caretaker department or subcontractor.

6.2 Caretaker Points of Contact: In addition to the 311 telephone number, the Caretaker shall provide to the Navy Caretaker Site Office an up to date list of telephone numbers for primary Caretaker managers responsible for utilities operations at NAVSTA TI/YBI. This list includes the responsible utility group and will be used by the Navy in cases of emergency and when responses to trouble calls do not occur within a reasonable time period (see response targets of Table 6-2). Note: Appendix 'A' provides operational procedures for Trouble Calls and Emergency Response in addition to key points of contact – both Caretaker and Navy.

TABLE 6-2 Labor Hour and Response Targets			
Type of action	TEP paragraph	Urgency and response targets	
		Routine [1]	Emergency, note [2]
		RegHours / AfterHours	RegHours / AfterHours
Minor, unscheduled repairs	5.0	8hr / NA	4hr / NA
Major repair work	5.0	8hr / NA	4hr / NA

NOTES: [1] Response required during normal working hours only
[2] Response required 24 hours / day, seven days / week
[3] N/A – No After Hour

6.3 Caretaker Trouble Call Reception, Response Targets and Reporting: Upon receiving a request from the CSO or other authorized party for trouble call, the Caretaker reception desk will issue a Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. The Caretaker will maintain records of all TC#'s issued along with pertinent details on response and resolution and will provide summaries of this information to the Navy Utilities PM as requested.

7.0 Emergency Response

7.1 Emergency Requirements

7.1.1 Definition: 911 should be called where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations.

7.1.2 Reporting: Direct reporting to the Navy is not required during an event, however, the Caretaker [TIDA] will provide the Navy with a written summary of any "significant event" (major personal injury or death, major property damage, "large" fires for example) that has occurred at TI/YBI.

8.0 System Extension, Provision of New Service

8.1 New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker [SFPUC] will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other federal users on the base. The Caretaker [TIDA] will recover costs for such work for other Federal users directly from the other Federal users. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required

8.2 New Services Required by the Lessees or Licensees: The Caretaker [TIDA] may also provide [authorize] system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease. Costs for any such work will be borne by the Lessee or Licensee. The Cooperative Agreement (paragraph 6.2.5) forbids delivery of any utility commodity to a premise under lease or license that is not fully and exclusively metered (exceptions may be granted if plans are in place for the installation of subject meter.). [All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]

9.0 Purchase of Utility Commodities: The Caretaker [SFPUC] will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base [Currently inactive]

10.0 Billing and Payment for Utilities Consumption: The Caretaker [TIDA] will defray costs of utility commodities purchased and costs of the operation and maintenance of the utility systems through revenues generated by charging uniform rates established by the Caretaker [TIDA]. The Caretaker [TIDA] will enter into Utility Service Contracts (USC's) with all Federal users including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker [TIDA] and the specific Federal user, including rates. The Caretaker [SFPUC] will purchase electricity, natural gas and water including electric power for the east water pump station serving TI and YBI [East water pump station is currently inactive].

10.1 Billing Non-Navy Tenants: The Caretaker [SFPUC if requested by TIDA] will be responsible for billing and [TIDA will be responsible for] obtaining payment from all Lessees, Licensees and non-Navy Federal activities permitted to receive utilities services on the base. Charges to these tenants for use of electricity, natural gas, water and sewer service will be determined by the Caretaker [TIDA] (per Annex 6, paragraph 6.2.3.1). In general, consumption will be read from meters which fully and exclusively measure permitted consumption. Where determined to be more economic, consumption may be determined through engineered estimates prepared by the Caretaker [SFPUC].

10.2 Recovering Funds for Consumption by the Navy: Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker [TIDA]. The Cooperative Agreement lists estimated uses and the annual/monthly charges to be billed by the Caretaker.

10.3 Charging for Sanitary Sewer Service: Deleted.

11.0 Outage Management

11.1 Scheduled Outages: The following procedures will be used by the Caretaker [TIDA] for any utility outage not resulting from an emergency or unplanned failure:

11.1.1 Caretaker Action: The Caretaker [TIDA] shall coordinate all outages directly with the applicable parties including the Navy and its contractors. Prior to a scheduled outage, the Caretaker [TIDA] shall contact all customers (including those who may be impacted) that will be impacted and provide the following information:

- Purpose of outage
- Utilities commodities affected
- Buildings and facilities affected
- Proposed start and completion dates and times

11.1.2 Coordination by Navy: Navy representative will coordinate the outage request for Navy managed facilities. The Caretaker [TIDA] will coordinate the outage all non-Navy and any affected utilities customers.

11.1.3 Planned Outages: The Caretaker [SFPUC] will execute the outage at the agreed upon time. Authorization from the Navy is not required

11.1.4 Disapproved or Cancelled Outages: In cases in which the outage cannot be executed, the Caretaker [TIDA] will revisit all impacted customers and advise them of cancellation or revised outage schedule and why it was necessary.

11.1.5 Unscheduled Outages: The Caretaker [SFPUC] will take immediate action to restore service. Authority from the Navy is not required. An "information-only" notice to the Navy representative is required after the event (verbal or written ok).

12.0 Excavation Management

12.1 Scheduled Excavations: The Caretaker [TIDA] will serve as the initial point of contact for all parties seeking to perform excavations at TI/YBI and will implement procedures to assure that no excavation is permitted without advance clearance with regard to underground utilities (see Annex 6. TEP paragraph 13.0) and from the designated Navy representative for environmental conditions. The following procedure will be used by the Caretaker [TIDA] to obtain Navy concurrence for any excavation not resulting from an emergency or unplanned system failure:

12.1.1 Excavation Process: The Caretaker [TIDA] shall retain established Underground Service Alert (USA) membership for the area encompassing TI/YBI and shall be the initial point of contact for all excavation activities within said region. The Caretaker [SFPUC] will locate and, within 48 hours of notification, clearly mark all utilities in the vicinity of proposed excavation prior to start.

12.1.2 Excavation Coordination/Navy Concurrence: Where necessary, the Caretaker [TIDA] will

refer evacuation requests to the designated Navy representative to ensure environmental conditions of soil in and around the area of the planned excavation site can be conveyed to all parties so that they may plan accordingly

12.1.3 "Approved" Evacuation Requests: In cases in which the excavation plan is acceptable as proposed, the Navy will immediately inform the Caretaker [TIDA] of its concurrence and will provide the Caretaker [TIDA] with any special requirements which may be imposed by the Navy [TIDA to inform original requestor of any special requirement]. The Caretaker [TIDA] will then perform the excavation or permit the excavation to be performed by the original requestor at the agreed upon time and in accordance with any special requirements which may be imposed by the Navy.

12.1.4 "Disapproved" Excavation Requests: In cases in which the excavation notification or request cannot be concurred to for environmentally related reason(s), the Navy will propose alternatives in writing to the Caretaker [TIDA] for coordination.

13.0 Marking Utilities Locations:

13.1. Electric, Gas, Water, and Sewer: The Caretaker Utilities Manager [SFPUC] will locate and clearly mark all electric, natural gas, water, and sewer utilities. Requests for marking and response handled through the trouble call procedure described in paragraph 6.0, above will conform to the response targets of Table 6-2. In addition, the Caretaker [SFPUC] will locate and clearly mark all electric, natural gas, water, and sewer utilities in any area in which the Caretaker [TIDA] proposes performing an excavation (see Excavation Management, paragraph 12.0). Marking shall be made based on the Navy provided base maps and the best available local knowledge. The Caretaker [SFPUC] will take best efforts to mark abandoned lines to include steam distribution based on available drawings.

13.2 Telephone and abandoned lines: For telephone and other lines that are not Navy owned, the USA Dig will be notified. Caretaker Utilities Manager [TIDA] will provide San Francisco Telecommunications with copy of approved Dig Permit (primary 415-550-2725, sec 415-550-2747). The Utilities Manager [TIDA] will coordinate marking of these lines. Abandoned lines will be marked if known based on Navy maps.

14.0 Maintenance of Government Furnished Vehicles: The Caretaker has full responsibility for maintenance and repair of Navy-provided vehicles, tools and equipment. The Navy may provide additional equipment, as it becomes available, to support the operation and maintenance at T1 and YBL.

15.0 Environmental and Operating Permit Management: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. The Caretaker will comply with all regulatory requirements. [The SFPUC will perform the services described in this section in accordance with Sec. 2(f) of this MOU.]

15.1 Storm Water Permit: The Caretaker [SFPUC] will completely oversee all monitoring and reporting requirements of the Storm Water General Discharge Permit (issued by RWQCB) and the TI Storm Water Pollution Prevention Plan (sampling, laboratory analysis, and annual report preparation). For the entire duration of the Cooperative Agreement, the Caretaker [SFPUC] will support the Navy in the enforcement of permit requirements and the abatement of non-compliance violations noted during tenant/lessee inspections.

Table 15-1

**ENVIRONMENTAL PERMITS FOR WHICH THE CARETAKER WILL PERFORM
MONITORING AND REPORTING**

<u>Item</u>	<u>Permit Type</u>	<u>Issuing Agency</u>	<u>Permit Number</u>	<u>Monitoring Required</u>	<u>Reporting Required</u>
001	NPDES permit for waste water treatment plant	California Regional Water Quality Control Board	CA0110116	Yes	Yes
002	Domestic Water Supply Permit	California Health and Welfare Agency	System No. 3810702	Yes	Yes
003	Permit to Operate all Air Emissions Sources	Bay Area Air Quality Management District	Plant #479	Yes	Yes
004	NPDES permit for storm water discharge	California Regional Water Quality Control Board	CA S000001 Order No.97-03-DWQ Facility WDID No. 238S012140	Yes	Yes

16.0 Responding to Environmental Hazards

16. 1 Definition: Environmental hazards, for the purpose of this discussion, are defined as spills or releases of hazardous substances to the soil which pose potential hazards to Caretaker personnel attempting to perform utility systems maintenance or repair or which may pose a threat to human health in general or to the environment. This definition does not include hazardous materials that may be part of utility system equipment or facilities near utility system equipment such as lead or asbestos insulation or lead based paint.

16.2 Awareness: The Navy has undertaken an extensive program under its Installation Restoration Program (IRP) to document and remedy environmental hazards as defined above. Environmental conditions on the base are documented by the *BASEWIDE ENVIRONMENTAL BASELINE SURVEY*

(1995), *SITE SPECIFIC ENVIRONMENTAL BASE LINE SURVEYS (SSEBS)*, and by the *BRAC CLEAN-UP PLAN (BCP)*. Caretaker [TIDA & SFPUC] personnel engaged in utilities operations should be aware of these sources which show locations and types of contamination at NAVSTA TI/YBI in order to avoid unnecessary contact with contaminated soil. The Caretaker [TIDA] will coordinate with the Navy to obtain the most current maps and characterization of the hazards.

16.3 Procedures: Safety procedures normally observed by the Caretaker should be observed at all times in order to minimize contact with contaminated soil. The following procedures should be followed by Caretaker [TIDA & SFPUC] personnel in the event work is required in an area documented to contain contamination or if undocumented contamination is encountered or suspected. .

16.3.1 Planned Excavations

16.3.1.1 In conformance with excavation permit request procedures provided under paragraph 12.0, above, the Caretaker [TIDA] will inform the Navy of the location and planned schedule for any excavation (see 12.1.1).

16.3.1.2 The Navy will provide disclosure of environmental conditions in or adjacent to the excavation area. Disclosure will be communicated to the Caretaker [TIDA] in writing in accordance with excavation request/permit procedures (see 12.1.3).

16.3.1.3 The Caretaker [SFPUC] will perform the excavation in accordance with Caretaker [SFPUC] health and safety practices, and any applicable Federal, State, or local regulations. The Caretaker [SFPUC] will perform the excavation using any required protective equipment.

16.3.2 Unplanned Evacuations

16.3.2.1 When soil contamination is encountered or suspected in the course of unplanned excavations, the Caretaker [SFPUC] will cease work and immediately contact its Environmental oversight office [TIDA]. The Caretaker [TIDA] and the Navy may then evaluate conditions and determine a course of action.

16.3.3 Disposal

16.3.3.1 In any case in which contaminated excavation spoils [where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI] are produced (either through an approved planned excavation or through an unplanned excavation) determination of proper management and disposition of the spoils will be the responsibility of the Caretaker [TIDA].

16.3.3.2 The Caretaker [TIDA] shall be responsible for disposal of soil, water, and other contaminated materials [where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI] generated as a result of Caretakers excavations.

Appendix A

UTILITIES TROUBLE/EMERGENCY CALL REPORTING PROCEDURES AND IMPORTANT CARETAKER/NAVY CALL LIST

August 30, 2013

GENERAL EMERGENCY NUMBER: **311 OR 911 (as appropriate)**
San Francisco City Distribution Division (CDD): (415) 550-4956

Call 911, as appropriate, where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property, to avoid disruption of essential operations, or for specific problems including civil disturbance, traffic and fire and safety. All other utility trouble calls should be placed to 311.

1. 311 will receive a utility trouble call and contact CDD Dispatch at (415) 550-4956. The CDD Dispatch will assign a Trouble Call Number (TC#) and record information in TI book.
2. CDD will dispatch trouble call to the appropriate unit:
 - a. Water Problems – to on call team
 - b. Sewer Problems – (415) 648-6882
 - c. Electrical Problems – (209) 989-2099
 - d. Natural Gas Problems (415) 760-5179 for SFPUC and DPW “natural gas” plumbers, NOT PG&E
3. CDD will notify in the order below the following individuals for emergencies involving environmental issues, broken water mains, downed electrical lines, loss of electric power to an area, any sewer overflow/spill, fire, or other emergency involving personal injury or significant property damage:
 - a. Joseph Carlevaris (TI Buildings & Grounds Supervisor)
(415) 554-1572 (office) |
(415) 238-8549 (cell)
If unavailable, notify:
 - b. Sam Larano (SFPUC Project Manager)
(415) 554-0724 (office)
(415) 370-2549 (cell)
 - c. Richard Stephens (Utility Services Manager)
(415) 227-8501 (office)
(415) 238-5600 (cell)
4. If directed, CDD dispatch shall notify:
 - a. SFPUC Communications
Tyrone Jue (Manager, Communications)
(415) 554-3247 (office)
(415) 290-0163 (cell)

- b. Treasure Island Development Authority
Robert Beck
(415) 274-0662 (office)
(415) 794-1129 (cell)
- c. Treasure Island Development Authority
Peter Summerville
(415) 274-0665 (office)
(415) 740-8488 (cell)
- d. Doug De Long (Environmental Compliance Safety & Security Manager, Navy CSO)
(415) 743-4713 (office)
(510) 772-8832 (cell)
If unavailable, notify:
- e. Patricia McFadden (BRAC Leader, Navy CSO)
(415) 743-4720 (office)
(415) 599-9961 (cell)

APPENDIX B

Glossary of Terms and Abbreviations		
Term/abbreviation	Full term	Definition
BRAC	Base Realignment and Close	Department of Defense initiative to "right size" the inventory of U.S. military installations. BRAC also refers to a set of laws passed with the FY93 and 94 defense appropriations acts which establish processes for promoting interim reuse of closed bases and for accelerating transfer of base property to the affected communities.
CA	Cooperative Agreement	A quasi-contractual instrument under which DOD components, such as the U.S. Navy can financially reimburse reuse authorities or affected communities for performing caretaking functions on closed bases.
Caretaker		The term used to refer to the reuse authority or community agency that takes over base caretaker functions under a cooperative agreement. In the case of NAVSTA TI/YBI, the Caretaker is the City and County of San Francisco.
EBMUD	East Bay Municipal Utility District	Local not-for-profit water company providing water to the east end of the Bay Bridge.
EFA West	Engineering Field Activity West	Field activity of the Naval Facilities Engineering Command which has responsibility for closure and disposal of Navy bases in the San Francisco Bay Area. All CSO's are organizational components of EFA West Code 60.
lessee / licensee		Holder of a lease or license issued by EFA West for use of facilities aboard a closed or closing BRAC installation. In general the lessee is the local reuse authority such as ARRA in the case of NAVSTA TI/YBI, Alameda.
NAVSTA TI/YBI	Naval Station Treasure Island	For the purpose of this SOP, NAVSTA TI/YBI is defined as Treasure Island and Yerba Buena Island.
CSO	Caretaker Site Office	The Navy office established at a closed base to oversee the caretaker mission. This duty includes coordination of any Cooperative Agreement which may be established.
Navy Public Works	Navy, Public Works Center, San Francisco Bay	The Navy's public works organization in the San Francisco Bay Area. PWCSFB has been the owner and operator of utility systems on BRAC bases. The command was disestablished under the BRAC initiative on 26 Sept 1997.
PG&E	Pacific Gas and Electric Company	Local for-profit gas and electric utility provider.
Utilities PM	Utilities Project Manager	Individual assigned to utilities project management.
Sublessee, sublicense		Holder of a sublease or sublicense for use of facilities on NAVSTA TI/YBI



PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 13-0139

WHEREAS, The U.S. Department of Defense closed the Naval Station Treasure Island (NSTI), and the Navy conveyed portions of NSTI to the Coast Guard and to the U.S. Department of Labor, and retained ownership of the remainder of the land and facilities. In 1997, in anticipation of an agreement on the conveyance of the remainder of NSTI, the City and County of San Francisco (City) entered into a Base Caretaker Cooperative Agreement with the U.S. Navy to provide caretaker services (Caretaker Cooperative Agreement); and

WHEREAS, In 1998, and in every subsequent year to date, the Board of Supervisors authorized the Treasure Island Development Authority (TIDA), a non-profit public benefit corporation created by the City, to renew the Base Caretaker Cooperative Agreement; and

WHEREAS, Caretaker responsibilities generally include (1) operation and maintenance (O&M) services for all the existing utility systems on Treasure Island/Yerba Buena Island (TI/YBI), (2) grounds and street maintenance and repair, (3) property management, and (4) public health, security, and safety services; and

WHEREAS, TIDA has authority through the Caretaker Cooperative Agreement, and through Master Leases from the Navy for certain facilities on NSTI, to establish charges for certain caretaker services through its subleases and other agreements, and through that mechanism provides compensation to the SFPUC for utility services that have been provided to end users on NSTI; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has been providing O&M services for water, wastewater, electric and gas existing utility systems on TI/YBI since 1997 as requested by the City and TIDA; and

WHEREAS, Since 1998 TIDA and the Navy have renewed the Caretaker Cooperative Agreement on a yearly basis, with the approval of the Board of Supervisors and the Mayor; and

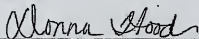
WHEREAS, The current term of the Caretaker Cooperative Agreement expires on September 30, 2013, and TIDA is seeking Board of Supervisors approval of a proposed extension of the term to September 30, 2014; and

WHEREAS, There is currently no formal agreement between the SFPUC and TIDA to perform O&M services for the existing utility systems on TI/YBI; and

WHEREAS, The proposed Memorandum of Understanding (MOU) memorializes the informal arrangement between the SFPUC and TIDA whereby SFPUC has provided certain utility services on NSTI since 1997. Because the MOU does not contemplate any change in the existing operation, maintenance, and supply of utility services, authorizing execution of the MOU is not a "Project" subject to the California Environmental Quality Act (CEQA) under the definition set forth in CEQA Public Resources Code Section 21065, and the CEQA Guidelines Section 15378; now, therefore, be it

RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to execute the Memorandum of Understanding between the Treasure Island Development Authority (TIDA) and the SFPUC, in substantially the form on file with the Commission Secretary, to provide certain utility services on Naval Station Treasure Island (NSTI) during the current term of the Base Caretaker Cooperative Agreement between TIDA and the Navy, and through September 30, 2014, provided that the Board of Supervisors approves an extension of the Caretaker Cooperative Agreement between TIDA and the Navy.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of September 10, 2013.



Secretary, Public Utilities Commission

1 [Memoranda of Understanding Between the Treasure Island Development Authority and the
2 San Francisco Public Utilities Commission regarding provision of utilities services on Treasure
3 Island and Yerba Buena Island]

4 **RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE**
5 **TREASURE ISLAND DEVELOPMENT AUTHORITY AND THE SAN FRANCISCO PUBLIC**
6 **UTILITIES COMMISSION FOR THE PROVISION OF UTILITIES SERVICES INCLUDING**
7 **THE MAINTENANCE AND OPERATION OF UTILITY INFRASTRUCTURE ON TREASURE**
8 **ISLAND AND YERBA BUENA ISLAND.**

9 WHEREAS, Former Naval Station Treasure Island is a military base located on
10 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
11 the United States of America, acting by and through the Department of the Navy; and,

12 WHEREAS, The Base was selected for closure and disposition by the Base
13 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
14 subsequent amendments; and,

15 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
16 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
17 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure
18 Island Development Authority ("TIDA") as a redevelopment agency under California
19 redevelopment law with authority over the Base upon approval of the City's Board of
20 Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands
21 Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and
22 fisheries as to such property; and,

23 WHEREAS, On March 12, 1997, the City and the Navy executed the Base Caretaker
24 Cooperative Agreement in which the City agreed to assume certain caretaker responsibilities
25 for the interim management and operation of the Base during the disposition process; and,

1 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
2 redevelopment agency for Treasure Island in 1997; and,

3 WHEREAS, In 1998 TIDA assumed the caretaker responsibilities outlined in the
4 Cooperative Agreement; and,

5 WHEREAS, Under the Cooperative Agreement the City, and later TIDA, agreed to
6 assume, in addition to other responsibilities, certain responsibilities for operation and
7 maintenance of the water, waste water, storm water, electric and gas utility systems on the
8 Base; and,

9 WHEREAS, The SFPUC has been performing utility services for the Base on behalf of
10 TIDA without benefit of a written agreement for such services; and,

11 WHEREAS, After a competitive bid process, the TIDA Board selected Treasure Island
12 Community Development, LLC ("TICD") as the proposed master developer of the Base; and,

13 WHEREAS, In June 2011 the TIDA Board and the Board of Supervisors approved
14 numerous transactions and entitlement documents related to the proposed development of
15 the Base, including a Disposition and Development Agreement with TICD (the "DDA") and an
16 attached Infrastructure Plan describing certain infrastructure to be built on the Base by TICD;
17 and,

18 WHEREAS, Under the transaction documents, the development is anticipated to
19 include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be
20 made affordable, (2) adaptive reuse of approximately 311,000 square feet of historic
21 structures, (3) up to approximately 140,000 square feet of new retail uses and 100,000 square
22 feet of commercial office space, (4) approximately 300 acres of parks and open space, (5)
23 new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for
24 the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel,
25 and (7) landside improvements for a new 400 slip marina (the "Project"); and,

1 WHEREAS, The SFPUC reviewed and consented to the DDA and the Infrastructure
2 Plan, and was a party to an Interagency Cooperation Agreement under which various City
3 agencies agreed to work with TIDA in connection with the Project; and,

4 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and
5 the TIDA Board of Directors by Resolution No. 11-14, as co-lead agencies, certified the
6 completion of the Final Environmental Impact Report for the Project (the "EIR"). In consenting
7 to the DDA, the SFPUC (as well as the Board of Supervisors and other City departments)
8 made certain findings under the California Environmental Quality Act ("CEQA"), including a
9 mitigation monitoring and reporting program and a statement of overriding considerations;
10 and,

11 WHEREAS, The Project contemplated and the EIR considered the ongoing use,
12 maintenance and repair of the utility infrastructure to the date of replacement by TICD. Since
13 the EIR was finalized, there have been no substantial project changes and no substantial
14 changes in project circumstances that would require revisions to the EIR due to the
15 involvement of new significant environmental effects or an increase in the severity of
16 previously identified significant impacts, and there is no new information that would change
17 the conclusions set forth in the EIR; and,

18 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
19 TIDA as the redevelopment agency for Treasure Island under California Community
20 Redevelopment Law in Resolution No. 11-12, and such rescission does not affect TIDA's
21 status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the
22 portions of Treasure Island subject to the Tidelands Trust, or any of the other powers of TIDA,
23 including the power to implement and complete the Project; and,

24 WHEREAS, TIDA and SFPUC staff have negotiated a Memorandum of Understanding,
25 a copy of which is on file with the Board Secretary (the "Memoranda of Agreement"), to

1 memorialize the terms and conditions of continued performance by the SFPUC of certain
2 defined utility services consistent with the Cooperative Agreement and past practice; now,
3 therefore, be it

4 RESOLVED, That the Authority Board of Directors approves the Memorandum of
5 Understanding between the TIDA and the SFPUC in substantially the form on file with the
6 Board Secretary, and authorizes the Treasure Island Director to execute and deliver the
7 Memorandum of Understanding, subject to the approval by the Board of Supervisors; and, be
8 it

9 FURTHER RESOLVED, That the Authority Board of Directors authorizes the Treasure
10 Island Director to enter into any additions, amendments or other modifications to the
11 Memorandum of Understanding that the Treasure Island Director determines, following
12 consultation with the City Attorney, are in the best interests of the City, that do not materially
13 increase the obligations or liabilities of the TIDA, that do not materially reduce the rights of the
14 TIDA, and are necessary or advisable to complete the transactions contemplated by the
15 Memorandum of Understanding, such determination to be conclusively evidenced by the
16 execution and delivery by the Treasure Island Director of the documents; and, be it

17 FURTHER RESOLVED, The Treasure Island Director shall return to the Authority
18 Board each year, in connection with any extension of the Cooperative Agreement with the
19 Navy, to review and possibly extend the term of the Memorandum of Understanding.

20
21
22 **CERTIFICATE OF SECRETARY**

23
24 I hereby certify that I am the duly elected Secretary of the Treasure Island
25 Development Authority, a California nonprofit public benefit corporation, and that the

1 above Resolution was duly adopted and approved by the Board of Directors of the
2 Authority at a properly noticed meeting on September 11, 2013.
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



Larry Del Carlo, Secretary

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT J

MANAGEMENT PLAN

The Villages at Treasure Island
SAMPLE MANAGEMENT PLAN
A General Management Operations Guideline
For Market Rate Property Management

TABLE OF CONTENTS

I.	THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGEMENT AGENT.....	1
II.	PERSONNEL POLICIES AND STAFFING ARRANGEMENTS	2
III.	PLAN FOR MAINTAINING ADEQUATE ACCOUNTING RECORDS AND HANDLING NECESSARY FORMS AND VOUCHERS	3
IV.	PROVISIONS FOR PERIODIC UPDATE OF MANAGEMENT PLAN.....	6
V.	INSURANCE	6
VI.	PLANS AND PROCEDURES FOR PUBLICIZING AND ACHIEVING EARLY AND CONTINUED OCCUPANCY	6
VII.	PROCEDURES FOR DETERMINING RESIDENT ELIGIBILITY AND FOR CERTIFYING AND ANNUALLY RECERTIFYING INCOME (where applicable)	8
VIII.	RENT COLLECTION POLICIES AND PROCEDURES	9
IX.	PLAN FOR RESIDENT/MANAGEMENT RELATIONS	10
X.	MAINTENANCE	11
XI.	EMERGENCIES.....	12
XII.	CONFLICTS.....	13

The Villages at Treasure Island
MANAGEMENT PLAN

A General Management Operations Guideline

I. THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGEMENT AGENT

- A. The Owner _____ ("Owner"), and The John Stewart Company, a California corporation ("Agent") have entered into an agreement dated _____ ("Management Agreement"). The Project (the "Project") managed by the Agent under the Management Agreement is a housing development identified as:
1. Project name: _____
 2. Location:
 - a. City: _____
 - b. County: _____
 - c. State: _____
- B. General Policies. It is the responsibility of the Owner to establish the general policies under which the Project will operate. The Owner shall establish broad policy guidelines and thereafter delegate to Agent the authority and responsibility for carrying out these policies on a day-to-day basis. Agent will be required to consult the Owner prior to taking any action not clearly covered by existing policies of the Owner or the Management Agreement.
- C. Expenditures. In accordance with the terms of the Management Agreement, Agent will be required to contact the Owner for an expenditure not included in the operating budget, that is above the threshold described in the Management Agreement in any one instance for labor, materials or otherwise in connection with the maintenance and repair of the Project, except in cases of emergency. In the case of an emergency, the Owner will be notified of the circumstances as soon as possible.
- D. Budgets. Budgets will be prepared annually by Agent and submitted to the Owner for review and approval.
- E. Decisions of the Owner. The areas in which Agent may make decisions without consulting the Owner include, but are not limited to:
1. Personnel. All hiring, supervising, directing, contracting and termination of on-site personnel and determination of compensation.
 2. Government requirements. Such activities as may be necessary to comply promptly with any and all governmental requirements affecting the Project, except that in such cases Agent will notify the Owner after performing such activities unless the Owner instructs JSCo in writing not to do so.
 3. Compliance. Compliance with the pertinent requirements of the regulatory agreements (if any) as they pertain to management of the Project.
- F. Regional Manager. Agent shall designate a Regional Manager who will be the key contact person for the Management Agent. The Regional Manager will oversee all staff assigned to the Project and will be responsible for enforcing the proper compliance and Regulatory Agreements applicable to the Project. Any instructions from the Owner will be

passed to Agent's Regional Manager, the Director of Property Management, or the Senior Vice President.

- G. Management and other fees. Agent will be paid a management fee and other fees for accounting, marketing and consulting as applicable and outlined in the Management Agreement. The Management Agent will cover, from the fees, expenses incurred in the performance of its duties, such as off-site office overhead, bookkeepers, secretaries, etc. The Project will pay for, out of the General Operating Account, expenses incurred by the Project including on-site office overhead, administrative and maintenance staff, maintenance costs, etc. In addition, the Project will be responsible for a payroll - processing fee.

II. PERSONNEL POLICIES AND STAFFING ARRANGEMENTS

- A. All hiring of employees by the Agent shall conform to equal opportunity requirements. Agent shall not discriminate against any applicant for employment because of age, race, color, ancestry, religion, national origin, sex, marital status, children, pregnancy, disability, sexual orientation, AIDS, ARC, or other arbitrary factors, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and the regulations issued pursuant thereto (24 CFR Part I), Executive Order 11063 and the regulations issued pursuant thereto (25 CFR 570.601), Title VIII of the 1968 Civil Rights Act (Public Law 90-384) and the Fair Housing Amendments Act of 1988.
- B. Agent will follow an employment policy at the Project that will afford residents opportunities for employment at the Project if applicable and when possible.
- C. Specific personnel policies. Specific personnel policies include:
1. Training and promotion opportunities
 - a. Specific training in policies and procedures of the Regulatory Agencies and Lenders (if applicable) will be provided to the Property Manager to ensure Project conformity to program requirements.
 - b. The Property Manager becomes knowledgeable through training and ongoing property management. As the budget permits, the Property Manager will be required to participate in relevant training conducted by professional agencies and organizations to assure understanding of the occupancy requirements of the Project. Agent holds periodic training sessions of a general nature for all employees off-site as well as specific on-site sessions tailored to the needs of individual Projects. In addition to such site-specific training, additional monthly, quarterly and annual training includes, but is not necessarily limited to, Fair Housing and non-discrimination.
 - c. The Property Manager is provided access to the agent's internal website, which includes detailed policy requirements and procedures of Agent. The Regional Manager assigned to the Project reviews with the Property Manager the website information and provides necessary on-the-job training.
 - d. It is Agent's policy to promote from within when possible. Employees are reviewed for potential promotion when positions become available. Agent's job opportunities are posted on its website.
 2. Employee benefits. For employees working at least 30 hours per week, benefits other than those required by statute include vacation time pay, at least 8 paid holidays per year, 6 sick leave days per year (non-entitlement), medical, dental, long-

term disability and life insurance coverage. Employees working 40 hours per week accrue 10 paid vacation days per year (with 15 days accrual per year beginning in the 4th year of service and 20 days/year beginning in the 11th year of service). Employees with less than thirty hours per week are not covered by Agent's health plan, life insurance or long-term disability insurance, nor eligible for paid vacations or sick leave pay. Pursuant to city requirements, employees working in San Francisco, CA may receive additional benefits. Full-time employees may also participate in an optional 401(k) savings program that includes an employer match as a Project expense

3. Employee grievance procedures. The Regional Manager assigned to the Project regularly visits the Project at which time problems can be discussed. If this is not satisfactory to an employee, the employee may contact the Director of Property Management or an officer of Agent.
4. Employee termination procedures. Demotion, layoff, or termination shall be determined on a non-discriminatory basis. When an employee's performance is substandard, the employee shall be notified in writing. Every effort will be made to work closely with an employee to provide additional training if this is deemed appropriate. If their performance continues to be substandard, the employee will be placed on probation, and/or terminated.
- D. Project Manager. The Property Manager is responsible for the day-to-day operation of the Project. He/she is directly accountable to the Regional Manager who, in turn, is accountable to the Director of Property Management or an Officer of the Agent.
- E. Additional Personnel. Agent may provide substitute personnel in the absence (i.e., vacation, illness) of the Property Manager or maintenance person. Such substitute personnel costs (if any) shall be Project expenses.
- F. Employee Handbook. Employees receive the Agent's extensive Employee Handbook which is periodically updated as procedures and laws require.

III. **PLAN FOR MAINTAINING ADEQUATE ACCOUNTING RECORDS AND HANDLING NECESSARY FORMS AND VOUCHERS**

- A. Accounting Practices and Principles. The basis of accounting will be accrual in accordance with Generally Accepted Accounting Principles (GAAP) and practices.
- B. Collections. Agent will collect all rent charges, miscellaneous charges and other amounts receivable for the Project's account in connection with the management and operation of the Project. Such receipts will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). This account will be placed in Agent's name and designated of record as the Project's General Operating Account, with Agent as Trustee.
- C. Disbursements. From the funds collected and deposited to the General Operating Account, Agent will make the following disbursements promptly when payable:
 1. Reimbursement to Agent. Reimbursement to Agent for compensation payable to on-site employees of the Project and for insurance premiums, Social Security payments, other payroll taxes and assessments payable to local, State and Federal governments in connection with employment of such personnel.
 2. General Payments and Accounts. Payments required for utilities, real estate taxes and assessments, general liability and fire or other hazard insurance premiums,

Security Deposit Account, Replacement Reserve Account, and the Operating Reserve Account. Separate interest-bearing FDIC accounts will be set up, as appropriate, for Security Deposit and reserve accounts.

3. Loan Payments. All payments of required interest, principal, impounds, fees and charges, if any, on loans that are secured by liens on the Project as approved by Owner and Lenders.
 4. All amounts otherwise due and payable as expenses of the Project authorized to be incurred by Agent under the terms of the Management Contract.
 5. Other disbursements required by the Owner and Lenders in writing.
 6. In no event will Agent be required to use its own funds to pay such disbursements. Agent will advise the Owner immediately of any deficiency. In the event the balance in the General Operating Account is projected to be insufficient to meet accounts payable, the Regional Manager will immediately apprise the Owner. Recommendations will be made for cutting costs, increasing revenues, or other measures, which will alleviate the cash flow shortage. The Owner will make the final decision to resolve the shortage. It is anticipated that any insufficiency will be forecast in advance.
- D. Checks. Checks will normally be computer-generated or manually written by Agent with two signatures required as follows:
1. The Regional Manager of the Project, and
 2. The Director of Property Management, an Officer of the Agent or other authorized signatory.
- E. Monthly Financial Report. A Monthly Financial Report will be provided to the Owner which includes a statement of receipts and disbursements, a schedule of accounts payable, an income/profit and loss statement with current month and year-to-date budget comparisons, a balance sheet, a trial balance, copies of monthly bank statements and reconciliations, rent roll, and a list of the balances in all bank accounts as of the last day of the previous account period. The report shall set forth the applicable data for the prior month and year-to-date. Cash flow will be closely monitored. These monthly accounting reports will be provided on the 20th of the following month on an ongoing basis. To the extent possible, the Agent will submit all reports electronically to the Owner and Agencies.
- F. Repairs.
1. Routine Repairs. For routine or emergency repairs, Agent will establish (subject to any limitations imposed by the Owner) designated contractors, e.g., plumbers, electricians and other vendors and contractors, as may be required. In addition, Agent will similarly establish a list of approved vendors for office supplies and repair materials. The Project will use a Purchase Order System for supplies and services. Invoices will be sent directly to Agent; reviewed by the accounting department, and will be paid from the General Operating Account subject to the approval of the Project's Regional Manager, Director of Property Management, or an Officer of Agent. If outside contract services or repairs are required in excess of amount authorized by Owner in the Management Agreement, written bids will be obtained in accordance with the Management Agreement.

2. Major Repairs. When possible, major repairs on other items will be budgeted. Where items are not budgeted but deemed essential to the physical and long-term financial viability of the Project, Agent will present proposals for purchase of those items to the Owner and these items will be paid from the Replacement Reserve Account. In the event of emergencies, the Regional Manager will make a reasonable decision to make repairs or provide the services necessary. In the case of such emergencies, the Owner will be notified of the circumstances as soon as possible.
- G. Budget Monitoring. The Regional Manager, Property Manager and Owner will monitor the Project's budget on a monthly basis to determine that any outstanding loan requirements of the Lenders are met.
- H. Compliance with Regulatory or Lender's Requirements.
1. The Property Manager, under the direction of the Regional Manager, will ensure that applicable residents (if any) meet income eligibility requirements for purposes of meeting the Regulatory Agreement or Lenders' requirements. Agent's Accounting Manager and Regional Manager will be responsible for ensuring the coordination of all financial reporting and accounting requirements of the Project.
 2. Agent will comply with all reporting requirements of the Regulatory Agreements. The Agent will assist the Auditors in the preparation of the annual audited financial statements. The Auditor will be required to make his/her arrangements for schedules and reconciliations at the expense of the Project. The Owner will select the Auditors. The Agent will also provide the certifications and other information required in connection with the payment of capital contributions.
- I. Budgets. Agent will comply with all reporting requirements for the Owner and Lenders. Agent will prepare a recommended operating budget for each fiscal year that begins during the term of the Management Contract and will submit budgets to the Owner at least 60 days before the beginning of each fiscal year. The Owner will promptly inform the Regional Manager of changes incorporated in the approved budget and the Regional Manager will incorporate such changes and forward the final Owner-approved budget to the Owner.
- J. Audits. With respect to each fiscal year, Agent will assist the Owner's accountants in their preparation of the annual audited financial report (if required), which will be prepared by a Certified Public Accountant. This report will be based upon the preparer's examination of books and records at Agent office and at the Project. The report will be prepared in accordance with the directives of the Owner. Certified copies of the report will be delivered to the Owner, Lenders and other addressees as directed by the Owner and by the preparer within 60 days of the end of the fiscal year. Compensation for the preparer's services will be paid out of the General Operating Account as an expense to the Project.
- K. Periodic Reports. Periodic reports will be provided as directed by the Owner and Lenders. Vacancy and rent losses will be recorded monthly in the rent rolls as well as the monthly financial report. The Owner will be notified of all vacancies by the 10th of the month. Any amounts recovered will also be credited on the monthly rent rolls and the monthly financial statements.
- L. Security Deposit Account. The Security Deposit Account may be a separate interest bearing account (at the Owner's direction), which is FDIC insured. The interest on the security deposits will be distributed according to the Owner's directives and applicable law, if any. At the time a resident vacates the unit, a move-out inspection will be conducted with the resident, where possible. All items needing cleaning or repair plus the

charges or estimated charges for each will be determined at the time of inspection. Both the Property Manager and the vacating resident will sign the inspection form. The final closing statement and refund of security deposit, less any charges for rent, fees, damage, etc. (excluding normal wear and tear) will be prepared for each vacating resident itemizing any charges to be made against the security deposit and forwarded to each vacating resident within 21 days of their vacating.

IV. PROVISIONS FOR PERIODIC UPDATE OF MANAGEMENT PLAN

As the needs of the Project, Owner, Lenders or other conditions dictate, this Plan may be modified in whole or in part. Agent will review the Plan annually and will make recommendations to the Owner concerning any needed changes. Any such change, once approved by the Owner, will be forwarded to the Lenders.

V. INSURANCE

The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations, and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent may periodically obtain three (3) bids from brokers for the Project's insurance. The Owner will approve the insurance coverage. The Agent will pay premiums out of the General Operating Account (or mortgagee impound), and premiums will be treated as Project expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon as shall be acceptable to the Owner and approved by Lenders. Such insurance will include public liability coverage, with the Agent designated as an insured party, in amounts acceptable to the Agent and the Owner. The Agent will investigate and furnish the Owner with full reports of all accidents, claims, and potential claims for damage relating to the Project and will cooperate with the Owner and Lenders' insurers in connection therewith.

VI. PLANS AND PROCEDURES FOR PUBLICIZING AND ACHIEVING EARLY AND CONTINUED OCCUPANCY

- A. Initial Marketing. Agent shall be responsible for all marketing efforts before and during initial occupancy in accordance with the Resident Selection Criteria/Tenant Selection Plan, Marketing Contract (if applicable), Marketing Plan and marketing budget. Such activities will commence at time acceptable to Owner and Agent. In consultation with the Owner, the Agent may amend criteria and procedures for the selection of residents. These criteria will conform to requirements set forth by the Lenders (if applicable). Residents will be selected according to all Federal, State and Local laws prohibiting discrimination in housing on the basis of race, color, creed, ancestry, age, religion, national origin, sex, sexual orientation, marital status, pregnancy, children, disability, handicap, Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Conditions (ARC), receipt of or eligibility for housing assistance under any government housing assistance program, or other arbitrary factors.
- B. Equal Access in Marketing. Consistent with the resident population the Project was designed to serve, the marketing of the Project will ensure equal access to units for all persons in any category protected by Federal, State, and local laws governing discrimination.
- C. Advertising and Media Contacts. Marketing may include the use of newspapers, periodicals and internet websites of general circulation in the local area. With the approval of the Owner and Lenders, the Management Agent will develop Leases or Rental Agreements, House Rules, application forms and such documentation as may be necessary to facilitate the selection and admission of residents into the Project according

to the Marketing Plan and in accordance with applicable regulatory requirements. The Management Agent will place notices in newspapers and specialized publications and newsletters to reach potential residents. With the Owner's approval, the Management Agent will be responsible for the design and printing of brochures, fliers, and other materials to be used to make potential residents in the area aware of vacancies at the Project. Applications, notices and all publications will include a Fair Housing and Equal Opportunity logo, and the Handicapped Accessibility logo (when applicable).

- D. Marketing to the Local Community. In addition to general outreach activities, the Management Agent will contact local civic and community organizations in the area in order to disseminate information about the Project.
- E. Role of the Property Manager in Marketing. The Property Manager will be hired and will serve as coordinator for the marketing of the Project as well as oversee the selection and admission of residents. The Property Manager will keep the Owner apprised of the occupancy process through monthly marketing reports which will include the number of applicants to the Project, unit preference, number of actual occupants, ineligible applicants, cancellations and any other statistical data requested by the Owner.
- F. Notifying Applicants of their Status. Applicants will be notified of their eligibility and advised of their status. Ineligible applicants will be allowed to question this determination.
- G. Initial Waiting List. The Project's initial waiting list will be determined by date and time of application. Those households selected from the waiting list will undergo a comprehensive screening procedure to reflect the Owner's Resident Selection Criteria/Tenant Selection Plan. Factors to be considered in the screening are housekeeping habits, history as tenant, rent paying history, credit records and criminal records.
- H. Preparation of Rental Documents. Agent will prepare and use Lease or Rental Agreement, House Rules, parking permits, and other documents relating to residency that have the prior approval of the Owner.
- I. Notifying Approved Applicants. Each approved applicant will be informed when the unit will be available for occupancy. Application procedures will have been completed for the household and, provided it is still eligible, the household will be shown the unit. If the applicant declines the unit, it will be shown to the next appropriate candidate on the waiting list. The name of the applicant declining the unit offered will be placed at the bottom of the waiting list. If a second offer is declined, the applicant's name will be removed from the list.
- J. Selection Criteria. Selection will be based on information included in the application, credit check, criminal background check, landlord references, income/asset verifications and/or as required by Regulatory Agreements or programs. The Project's Property Manager is not allowed to discriminate or give preferential treatment to any applicant or resident.
- K. Pre-Occupancy Orientation Session. A pre-occupancy meeting will be conducted with newly approved applicants to review documents including Lease, House Rules and other pertinent regulations. In addition, the Property Manager will review with applicants maintenance policies, child supervision, recreational policies and grievance and appeal procedures. All members of the household will be urged to be present at this interview (all adults are required).

VII. PROCEDURES FOR DETERMINING RESIDENT ELIGIBILITY AND FOR CERTIFYING AND ANNUALLY RECERTIFYING INCOME (where applicable)

- A. Resident Selection. The Property Manager will be charged with the responsibility for selecting residents. The Agent will be responsible for ensuring that the Property Manager is properly trained in resident eligibility requirements. In compliance with the Regulatory Agreements, only income eligible households will be selected to occupy units restricted by such Restrictions at the Project. Residents will be recertified annually, where household income will be verified to determine continued eligibility according to the Project's Regulatory Agreements (when applicable). Any applicable income limits or restrictions will be made available to the public upon request and/or in accordance with any and all regulatory guidelines. Applications and other records pertinent to a resident's continued eligibility will be kept on file in accordance with any and all Regulatory guidelines.
- B. Initial Income Eligibility. The Property Manager will be responsible for determining income eligibility of each applicable household in the Project via third-party verification of all income and assets as programmatically required. Households whose gross annual income exceeds programmatically required income limits will be considered "over-income" and will not be considered income eligible for units subject to any regulatory restrictions and/or guidelines.
- C. Recertification. The Property Manager will maintain a "tickler file" for any applicable annual recertifications to ensure that processing is completed in a timely manner. If, upon recertification, the resident's household income exceeds the project's applicable income limits as programmatically determined, rent will be adjusted accordingly and a lease addendum executed. All income regulations including over-income guidelines are included in the lease for recertification purposes.
- D. Occupancy Guidelines. The Project has adopted standards for the number of persons initially permitted to occupy units. These standards conform to Lender's, Owner's and/or regulatory guidelines. These standards shall be used at initial occupancy. Following are the unit size assignment standards subject to the clarifications and considerations indicated below:

Unit Size	Minimum # of Persons	Maximum # of Persons
Studio	1	1
1-Bedroom	1	3
2-Bedroom	2	5
3-Bedroom	3	7
4-Bedroom	4	9
5--Bedroom	5	11

If and when the household is "over-housed" (under-occupied), i.e., too few people for the unit, the household will be required to move to the next-available appropriate sized unit. If the household is "under-housed" (over-crowded), the household will be required to move to the next available appropriate-sized unit. In extreme circumstances (instance.g. 1 person in a 3-bedroom unit with no 1 or 2-bedroom units in the project; or 9 people in a 2-bedroom unit with no 3-bedroom units in the project), the household may be required to vacate the Project. Management will work with the residents in these cases to help them find appropriate housing, or as required by the City of San Francisco.

- E. Pet Policy. Pets shall not be allowed on the premises, except as approved by the Owner. A certified service animal is not considered a "pet" and the resident requiring such animal

shall be required to execute a service animal agreement describing responsibilities of the resident.

- F. Live-In Attendant. In the event that a resident requires the services of a live-in attendant, the above occupancy standards shall still apply. Prior to the attendant moving in the resident's physician shall document the need for a live-in attendant. Any income received by the attendant shall not be considered in evaluating the rent to be charged to the household. The attendant shall not be considered a resident of the Project. Said attendant shall be considered a guest of the resident household, and the head of household shall be required to ensure that the attendant abides by all terms and conditions of the Lease or Rental Agreement. The live-in attendant must sign the House Rules and execute a Live-in-Attendant agreement.
- G. Orientation Session. The Property Manager will organize and conduct orientation sessions for new residents at time of move-in. Residents will be briefed on the Lease or Rental Agreement, the House Rules and all other documents associated with residency of the Project, including the responsibilities of residents in the administration of the Project.

VIII. RENT COLLECTION POLICIES AND PROCEDURES

- A. Collection of Rent and Other Charges. The Property Manager will collect rent from residents in the Project. [Rent payments will be given or mailed to the office on-site and a receipt given.] After hours, it will be possible for a resident to drop payment into the Project's mail slot or box. No cash will be accepted. Rent and other charges may be paid by check, money orders, cashiers check, or online payment only.
- B. Pre-payment of Rent. Pre-payments for rent are encouraged and partial payments discouraged. Partial payments will be accepted only in the case of hardship where prior arrangements have been made with the Property Manager and approved by the Regional Manager.
- C. Late Fees. If rent is not received by the end of the fifth day of the month or other date as may be required by Owner or other regulatory agency and as stated in the lease, a late charge will be assessed. The amount of the late charge will be in accordance with the lease.
- D. Non-Payment. Any resident not paying rent by the requisite date will be contacted. Unless prior arrangements have been made, a Notice to Pay or Quit will be issued. In extreme cases, a resident may make an agreement with the Property Manager to pay back rent by paying the equivalent of one month's rent plus a payment on the outstanding amount each month by a given date. If the workout arrangement is not complied with, eviction procedures will begin immediately. No evictions for non-payment of rent will be initiated if resident pays all rent and other charges due.
- E. Non-payment of Rent and Evictions. Before evicting a resident for reasons other than non-payment, the Property Manager will meet with the resident to discuss the problem and prepare written documentation. The resident will be given an opportunity to correct the problem. If the problem persists, unlawful detainer action will proceed.
- F. Records, Accounts and Deposits. A computer rent collection and accounting system may be maintained in the Project office for recording of rent payments. All expenses required to establish and maintain the accounting system and other computer software licenses are Project expenses. Timely bank deposits will be made into the Project's General Operating Account.

- G. Negative Cash Flow. When cash flow indicates that project income will not cover project expenses, the Agent will contact the Owner immediately and submit recommendations to the Owner to resolve the problem. This may include increasing the residents' rental charges in accordance with the approved operating budget, the Regulatory Agreements and the lease. Residents will be given at least thirty days notice prior to any change in the rent charges at the Project or as otherwise required by regulatory agencies and/or local ordinances.
- H. Security Deposits. Each resident shall pay in advance of occupying a unit a security deposit in an amount approved by the Owner within regulatory and statutory guidelines. The Property Manager may apply the deposit after the resident vacates the unit to recover any loss or repair any damage caused by the resident or their guests to the premises or the Project other than normal wear and tear. The deposit may also be applied to the payment of rent charges due and owing from the resident. Within twenty-one (21) days of the resident vacating the unit, the security deposit will be repaid to the resident (less any amounts deducted in accordance with California Civil Code 1950.5) by regular mail to their forwarding address or such other address as may be designated. At that time, an itemized list will be provided to the resident describing the reason and cost for any deductions from the deposit.
- I. Damage to the Unit. If the resident's security deposit is not sufficient to cover the cost of damage to the unit, the Agent will contact the vacating resident to demand full payment of the excess costs. The Agent may offer a payment plan acceptable to both parties if the circumstances warrant such action. If the demand is not met or if payment arrangement is not executed, the Agent shall pursue collections, which may include reporting resident history to credit bureaus and national tenant networks as well as court remedies, collection agencies and legal action as feasible.
- J. Reserve Replacement: The agent shall maintain a reserve replacement account as defined in sublease, development, and marketing property management agreement, section 11.3. Repairs of reserve replacement items shall be done according to Exhibit F - Capital Budget.

IX. PLAN FOR RESIDENT/MANAGEMENT RELATIONS

- A. House Rules. House Rules are an attachment to the Lease or Rental Agreement, wherein the rights and responsibilities of residency are described.
- B. Informational pages and brochures. Information pages and brochures about local services and amenities will be distributed to the residents.
- C. Fire/Life Safety. At the time of move-in, residents of the Project will be shown the fire/life safety devices built into the Project. The resident will be reminded of the use of the 3-1-1 and 9-1-1 emergency services. The Project and Agent shall each maintain a 24-hour "live" answering service for urgent calls from residents. Appropriate emergency evacuation procedure signs will be posted at different locations in the building (when applicable). Residents will be shown the location of the emergency evacuation signs.
- D. Pre-Occupancy Conference. A pre-occupancy conference will be held with all residents to review documents including the Lease or Rental Agreement, House Rules, and other residency documents. In addition, the Property Manager will review maintenance policies, child supervision and recreational policies, etc. All members of the household will strongly be urged to be present at this interview; all adult members of the household must be present.

- E. Grievance Procedure. Should a resident have a complaint of any nature concerning her/his dwelling unit, other resident or other housing related issue, the resident's grievance should be handled first by the Property Manager. If this is unsatisfactory to the resident, the Regional Manager will then become involved in handling the problem. If this handling is not satisfactory to the resident, the Director of Property Management of the Agent will become involved in handling the problem. As a last resort, an Officer in the Agent's local office may get involved (if warranted).

X. MAINTENANCE

- A. Inventory of Project Equipment. When the Agent assumes management of the Project, an inventory will be taken of all Project equipment. A record of this equipment, including serial numbers, will be kept in the Project office. A preventative maintenance program will include proper servicing and maintenance of the Project and its equipment.
- B. Unit Inspections. At initial move-in, a move-in inspection will be conducted by both the Property Manager and the new resident to note the condition of the unit. Annually, an inspection will be done in each unit and the condition compared to the condition of the unit at the time of the resident's original move-in inspection. This annual inspection will also include review of any maintenance problems plus general housekeeping conditions and any changes in Lease or Rental Agreement, House Rules and Regulations, etc. When the resident vacates, a move-out inspection will be completed with the resident present, if possible, which will be compared with the move-in inspection. The resident will be charged for required repairs, which do not fall under normal wear and tear.
- C. Work Orders and Repairs. Residents will be advised to report to the Project office any items requiring repair. A work order will be written and assigned to the site personnel. It is Agent's goal to complete work orders within forty-eight hours, when possible. Upon completion of a work order, the Property Manager will sign off on the work and copies of the work order will be filed by the month and by the unit.
- D. Additional Work Order Procedures. Work orders will be written for all maintenance items including vacant units. The Maintenance Personnel, or vendor, will use a checklist to ensure that units are properly painted, cleaned and repaired prior to move-ins. The Property Manager will inspect the work to be sure the Maintenance Personnel or vendor has completed it properly. If a resident has damaged his/her unit beyond normal wear and tear, he/she will be charged for the cost of repair/replacement and labor according to the current "Maintenance charge sheet".
- E. Garbage, Trash and Recycling. Garbage and trash removal will be handled through a contractor. The quantity, size of containers and frequency of pickup will be based on the number of residents and location and size of dumpsters used within the Project. The Project will comply with any recycling and/or composting programs as required by regulatory and statutory guidelines.
- F. Common Areas. All common areas will be picked up daily. These areas will be cleaned, vacuumed, hosed down, etc. on a scheduled basis.
- G. Metering. Sub-metered utilities will be read and invoiced by vendors.
- H. Major Repairs and Capital Improvements. When possible, major repairs (including capital improvements) will be budgeted items. It is anticipated that the Maintenance Personnel or vendor will resolve most routine repairs. If outside contractors are required, bids will be solicited from contractors and a minimum of three bids as outlined in the

Management Agreement. Work anticipated to cost over \$20,000 may be referred to the Owner or Agent's Construction Manager for design specifications or referring to a technical contractor for design specifications.

- I. Preventative Maintenance Inspections. Inspections will be made on the exteriors and common areas for security and preventative maintenance purposes. In general, the Project components will be inspected as follows:
 1. On-site physical inspections conducted three times a week by the Property Manager. This would be augmented as needed through inspections by the Regional Manager;
 2. Mechanical equipment inspection semi-annually or as needed;
 3. Walk-through with contract services quarterly and as needed;
 4. Roof inspections in the fall of each year and as needed;
 5. Internal components inspected by Property Manager or Regional Manager semi-annually or as needed;
 6. Exterior components such as lighting, building siding, asphalt, sidewalks, roof, etc. are inspected routinely (daily, weekly or monthly) as applicable by the Property Manager and Maintenance staff or vendor and periodically by the Regional Manager typically in the spring and fall;
 7. Lighting and security inspections are conducted routinely by on-site personnel and off-site personnel (as indicated in 6 above);
 8. The local government may be present or initiate semi-annual site inspections.

XI. EMERGENCIES

- A. Agency Coordination. Work and coordinate with City of San Francisco and TIDA on ongoing emergency response planning and support of emergency response operations, particularly those resulting in resident displacement, sheltering, and/or evacuation.
- B. Emergency Alarm Systems. All residents, at time of occupancy, will be trained in the use of the emergency alarm system. The residents will also be informed that the alarm system will not necessarily be monitored 24 hours a day. Residents will be informed that when an alarm sounds and no staff member responds, they are to call the appropriate party i.e., Fire Department, Police, or the answering service.
- C. Notification to Next-Of-Kin. Should an emergency arise with a resident, the person who is listed as "next-of-kin" on the resident's application will be notified. In the event of a resident's death, every effort will be made to have the resident's next-of-kin take immediate possession of the contents of the apartment or to take an immediate inventory with the Coroner's Office.
- D. Safety Training Program. Staff training will be ongoing in areas of building security and emergency preparedness, medical emergencies, C.P.R., proper use of life safety equipment, proper use of hazardous chemicals, maintenance equipment, etc.
- E. Safety and Security Plan. The Agent will work with the Owner in the preparation and implementation of a comprehensive Safety and Security Plan. Any Emergency Response Plan (ERP) implemented at the Project will be developed by the Agent.

- F. Fire/Life Safety System. The Agent will assure compliance with all local and state requirements regarding the servicing inspections and certification of the entire fire/life safety system.

XII. CONFLICTS

In the event of any conflicts between the provisions of this Management Plan and the Management Agreement, the provisions of the Management Agreement shall prevail.

Initials: Owner: _____ Date: _____ Agent: _____ Date: _____

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT K

APPROVED HAZARDOUS MATERIALS

EXHIBIT K

APPROVED HAZARDOUS MATERIALS

TREASURE ISLAND HOUSING

Prepared by The John Stewart Company

June 3, 2014

Partial list of materials typically used for maintenance operations and general household use that are, or may be considered hazardous:

Cleaning Products

Ajax, Comet cleanser
Chlorine bleach
Lysol, Pinesol
Window cleaner
Ammonia
Scrubbing Bubbles cleanser
Oven cleaner
Liquid Plumber, Draino, and like drain openers
Floor wax and polish
Furniture and floor polish
Wax stripper
Disinfectants
Carpet Spotter
Carpet and upholstery cleaners
Tile cleaner
TSP

Paint and Paint Related Products

Paints, stains and other paint coatings
Enamels
Varnishes and shellacs
Polyurethanes
Penetrating wood finishes and sealers
Wood preservatives
Solvents
Acetone

Mineral spirits, paint thinner, lacquer thinner, turpentine

Paint removers & strippers, Goo Gone

Rust and stain removers

Phosphoric acid

Linseed oil

Glazing compound

Wallpaper adhesive

Fiberglass patch

Workshop Products

Floor tile adhesive

Glues, epoxies and adhesives

Spray adhesive

WD-40

Kerosene

Propane fuel

Three-in-one oil

Lubricants and grease

Spray lubricants

Caulking

Freon reclamation (refrigerators)

Auto and Machine Related Products

Gasoline

Motor oil

Anti-freeze

Car batteries

Roofing and Paving Products

Plastic roof cement and other roof patching material

Asphalt repair and cleaning materials

De-greasers

Vector Control

Pesticides, insecticides, ant and roach killers

Rat poisons

Grounds & Landscape

Weed killers

Chemical fertilizers

Garden fungicides

Slug and snail control

Office Supplies

Copy machine toner

Laser printer chemicals

Office equipment lubricants

Marking pens

E-Z seal

Windex

Lysol wipes

Miscellaneous

Art supplies (oil-based paints, lead cadmium, rubber cement, adhesives)

Photographic chemicals

Pet care products

Moth balls

Silver polish

Shoe polish

Aerosol sprays

Air fresheners

(Sublease and Property Management Agreement with John Stewart Company)

Resolution Approving a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company, a California Corporation, Subject to the Approval of the City's Board of Supervisors

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

1 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
2 redevelopment agency for Treasure Island in 1997; and,

3 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
4 the Authority as the redevelopment agency for Treasure Island under California Community
5 Redevelopment Law in Resolution No. 11-12; although such rescission does not affect
6 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust
7 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any other powers
8 or authority of the Authority; and,

9 WHEREAS, On March 17, 1999, The John Stewart Company ("JSCO") and the
10 Authority entered into a Sublease, Development, Marketing and Property Management
11 Agreement (the "Original Agreement") for the development, marketing and property
12 management of up to 766 housing units, as shown on Exhibits B-1 and B-2 of the Original
13 Agreement (the "Premises") at former Naval Station, Treasure Island, in San Francisco,
14 California; and,

15 WHEREAS, The parties entered into the following amendments to the Original
16 Agreement: a First Amendment dated August 15, 2000, to amend the Premises; a Second
17 Amendment dated June 12, 2003, to amend the Phase 1 and 2 Premises and the Rent
18 Schedule; a Third Amendment dated March 22, 2006, to extend the term of the Agreement on
19 a month-to-month basis not to exceed the effective date of a disposition and development
20 agreement between the Authority and a master developer for Treasure Island and Yerba
21 Buena Island; and a Fourth Amendment dated August 8, 2006, to increase residential utilities
22 rates; and a Fifth Amendment to Discontinue Earthquake and Flood Insurance dated October
23 14, 2009; and,
24
25

1 WHEREAS, On June 7, 2011, the San Francisco Board of Supervisors approved the
2 Disposition and Development Agreement between the Authority and Treasure Island
3 Community Development LLC, which became effective on July 14, 2011; and,

4 WHEREAS, the scheduled term of the Original Agreement expired on the effective date
5 of the Disposition and Development Agreement, but continued thereafter on a month-to-month
6 holdover basis; and

7 WHEREAS, On March 7th, 2014 the Authority issued and properly noticed a Request
8 for Proposals ("RFP") for the Sublease and Property Management of Market-Rate Rental
9 Housing, Treasure Island; and

10 WHEREAS, JSCO was the sole Respondent to submit a Response to the RFP by or
11 before the April 18, 2014 Deadline for Submittal of Responses; and

12 WHEREAS The JSCO Response was reviewed and deemed responsive to the terms
13 of the RFP by Project Office and Project Office staff then commenced negotiations with JSCO
14 toward a new Sublease and Property Management Agreement for Market-Rate Rental
15 Housing (the "Agreement"); and

16 WHEREAS, Project Office staff made presentation on the progress of negotiations at
17 the May 14, 2014 Authority Board meeting and has subsequently completed such
18 negotiations with JSCO; and

19 WHEREAS, The Authority and JSCO now desire to enter into a Sublease and Property
20 Management Agreement for Market-Rate Rental Housing (the "Agreement") for up to 566
21 units at former Naval Station Treasure Island in substantially the form of the Agreement
22 attached hereto as Exhibit A (the "Agreement"); now, therefore be it

23 RESOLVED, That the Authority Board of Directors hereby approves the Agreement
24 and authorizes the Director of Island Operations or her designee to execute said Agreement
25 in substantially the form attached hereto as Exhibit A; and be it

1 FURTHER RESOLVED, That the terms of conditions of the Agreement shall not be
2 effective unless and until the Agreement is approved by the San Francisco Board of
3 Supervisors; and, be it

4 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of
5 Island Operations or her designee to enter into any additions, amendments or other
6 modifications to the Agreement that the Director of Island Operations determines in
7 consultation with the City Attorney are in the best interests of the Authority, that do not
8 materially increase the obligations or liabilities of the Authority, that do not materially reduce
9 the rights of the Authority, and are necessary or advisable to complete the Agreement, such
10 determination to be conclusively evidenced by the execution and delivery by the Director of
11 Island Operations or her designee of the documents and any amendments thereto.

12
13
14 **CERTIFICATE OF SECRETARY**

15 I hereby certify that I am the duly elected Secretary of the Treasure Island
16 Development Authority, a California nonprofit public benefit corporation, and that the
17 above Resolution was duly adopted and approved by the Board of Directors of the
18 Authority at a properly noticed meeting on June 11, 2014.

19
20
21 Jean-Paul Samaha, Secretary
22
23
24
25



AGENDA ITEM 6 (d)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for Fiscal Year 2014-2015 (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

The Treasure Island Homeless Development Initiative ("TIHDI") is a consortium of nonprofit organizations that provide services to homeless and other economically disadvantaged San Francisco residents. TIHDI was organized to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

On November 26, 1996, the US Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") between the City & County of San Francisco (the "City") as the Local Reuse Authority for Treasure Island and TIHDI. The Homeless Assistance Agreement was drafted as an element of the City's election to comply with the conditions of the Base Closure, Community Redevelopment and Homeless Assistance Act of 1994, which requires the Local Reuse Authority to propose a plan for using Base resources to assist homeless persons in the City. The Treasure Island Development Authority (the "Authority") is the successor Local Reuse Authority. In 2011, the Authority and TIHDI executed the Amended and Restated Base Closure Homeless Assistance Agreement (the "TIHDI Agreement").

The proposed Professional Services Agreement (the "Agreement") between the Authority and TIHDI continues TIHDI's role in (i) the coordination and facilitation of community-based homeless service organizations in Treasure Island community activities; (ii) participation in the development process to support development plans which implement the executed TIHDI Agreement; (iii) development of housing units allocated to TIHDI under the TIHDI Agreement; and (iv) operation of a job broker system and economic self-sufficiency programs for Island residents.

Project staff and TIHDI have negotiated a budget of \$196,000 to support TIHDI's mission and to provide services to the Treasure Island community for the Fiscal Year 2014-2015. The Agreement also provides onsite staffing at The Special Event Venues including Casa de la Vista, Building One, Great Lawn, Fogwatch Picnic Area, and the Chapel. Compensation for these increase services shall be billed monthly based on actual hours worked and at a rate not to exceed twenty five dollars (\$25.00) per hour. Additionally, compensation for existing contact services excluding onsite Special Event Venue staffing shall be payable in monthly installments of \$14,250. Funds to support the Agreement will come from the revenues generated by leasing Treasure Island facilities.

PROFESSIONAL SERVICES AGREEMENT TERMS AND CONDITIONS

The salient terms and conditions of the proposed Agreement include the following:

Commencement Date: July 1, 2014

Term: Month-to-Month

Compensation: Compensation of up to \$196,000 payable in twelve (12) monthly installments of \$14,250.00 (totaling \$171,000) commencing from July 1, 2014 for all contract services excluding onsite Special Event Venue staffing. Special Event Venue staffing will be billed monthly based on actual hours worked and at a rate not to exceed twenty five dollars (\$25.00) per hour.

Services: TIHDI provides several services to the Authority including coordinating and facilitating participation of community-based homeless service organizations, operating the job broker system, as well as future development planning. TIHDI will coordinate and provide Community Leadership programming to Island residents, and operates the ShipShape building free of charge to the Island community. Additionally, TIHDI will provide onsite staffing at Casa de la Vista, Building One, Great Lawn, Fogwatch Picnic Area, and the Chapel in furtherance of its mission to create jobs. Responsibilities may include opening and closing of the venues, as well as greeting and assisting event contact with any facility related issues.

BUDGET IMPACT

The Agreement provides TIHDI with an amount not to exceed \$196,000 during FY 2014-2015. This amount provides the same level of funding from FY 2013/14 for contract services. The Agreement also provides an increase of \$15,000 to cover 12 months of onsite Event Venue staffing.

RECOMMENDATION

Project staff recommends approval of the Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for an

amount not to exceed \$196,000. TIHDI continues to expand its offerings and to provide important services to the Treasure Island community. These services include: supporting economic self-sufficiency, operating a community center, providing a weekly food pantry, Community Leadership programming to Island residents, and operating a job broker system. A summary of TIHDI's Accomplishments in Fiscal Year 2013-2014 is attached as Exhibit B.

EXHIBITS

- Exhibit A: Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative.
- Exhibit B: Summary of TIHDI's Accomplishments in Fiscal Year 2013-2014.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

**Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130**

**Agreement between the Treasure Island Development Authority and
TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE**

This Agreement is made this 1st day of July, 2014, in the City and County of San Francisco, State of California, by and between: the Treasure Island Homeless Development Initiative, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and Contractor including any TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan; and,

WHEREAS, Contractor provides services on Treasure Island including (i) the coordination and facilitation of community-based homeless service organizations in Treasure Island community activities; (ii) participation in the development process to support development plans which implement the Homeless Assistance Agreement; and (iii) operation of a job broker system and economic self-sufficiency programs for Island residents; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at

any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2014 to June 30, 2015. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the **Tenth** day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the **Final** day of the immediately preceding month. In no event shall the amount of this Agreement exceed **One Hundred and Ninety Six Thousand Dollars (\$196,000)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement.

Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at [http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates&sf=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates&sf=default.htm3.0vid=amlegal:sanfrancisco_ca$sync=1). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Left blank by agreement of the parties (Disallowance)

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or

workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by

Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence, \$2,000,000 aggregate for bodily injury, property damage, contractual liability, personal injury, products and completed operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to Authority of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

**Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Director of Island Operations**

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to Authority certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Authority, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of **Five Hundred Dollars (\$500)** per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority.

20. Default; Remedies

Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- | | |
|---|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-free workplace policy |
| 10. Taxes | 53. Compliance with laws |
| 15. Insurance | 55. Supervision of minors |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment | |

Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, and 57.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement; and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Authority if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130

Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0660

To Contractor: **Treasure Island Homeless Development Initiative**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Sherry Williams, Executive Director
Fax: (415) 834-9134

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking

accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City and Authority premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or

benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein

by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each

Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and

procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to

quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable

alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or

attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties (Supervision of Minors)

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other

improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Authority because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties (Slavery Era Disclosure)

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

62. Wages and Working Conditions.

Contractor agrees that any person performing labor in the construction of any improvements and any Alterations, which Contractor provides under this agreement, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Contractor shall include, in any contract for construction of such Improvements and Alterations, a requirement that all persons performing labor under such

contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Contractor shall require any contractor to provide, and shall deliver to Authority upon request, certified payroll reports with respect to all persons performing labor in the construction of such improvement work or any Alterations to the Premises.

63. Miscellaneous Prevailing Wage Requirements.

Contractor agrees to comply, to the extent required by law, with San Francisco Administrative Code Section 21C et seq. San Francisco Administrative Code Section 21C.1 – Section 21C.7 are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

<p>TREASURE ISLAND DEVELOPMENT AUTHORITY</p> <p>By: _____ Mirian Saez, Director of Island Operations Treasure Island</p> <p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p> <p>By: _____ Deputy City Attorney</p>	<p>CONTRACTOR</p> <p>TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE</p> <p>By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.</p> <p>I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.</p> <p>_____ Sherry Williams, Executive Director One Avenue of the Palms Treasure Island San Francisco, CA. 94130</p> <p>City vendor number: 51465</p>
---	--

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges

Appendix A
Services to be Provided by Contractor
Contract Year 2014-2015

Description of Services

TASK ONE

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island in the current implementation of the TIHDI agreement.

Specifically:

- Operate the Job Broker System for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the Treasure Island Development Authority.
- Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding facility issues impacting Treasure Island.
- Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding hearings involving Treasure Island.
- Coordinate participation of members of the Treasure Island Homeless Development Initiative where appropriate.
- Operate the "Ship Shape" as a Community Center.
- Provide onsite afterhours staffing at Casa de la Vista, Chapel, and Building One.

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation and implementation of community-based homeless service organizations in the long term development of Treasure Island.

Specifically:

- Participate in the development of the affordable housing component of the proposed development plan as specified in the TIHDI agreement.
- Implement community serving and development components, Job Broker and First Source compliance and economic development opportunities as indicated in the TIHDI Agreement and JEOP.

Appendix B
Calculation of Charges

TIHDI 2014-2015

	Total	
Income		
Contract Income		TIDA
Total Contract Income	196,000	196,000
Foundation Income		
Total Foundation Income	99,000	
Corporate Income		
Total Corporate Income	40,000	
Donation Income		
Total Donation Income	39,000	
Other Income		
Total Other Income	211,502	
Total Income	560,502	
Personnel		
Total Personnel & Benefits	359,152	
NonPersonnel Expenses		
Prof Fees/Contracts		
Total Prof Fees/Contracts	92,600	
Program Expenses (includes Community Leadership Program contribution of \$4,000 and onsite staffing of TIDA's Special Event Venues of \$25,000)		
Total Program Expenses	63,500	
Operating Expenses		
Total Operating Expenses	<u>70,250</u>	
Total Expenses	<u>585,502</u>	

Compensation of up to One Hundred and Ninety Six Thousand Dollars (\$196,000) payable in twelve (12) monthly installments of \$14,250.00 commencing July 1, 2014 for all contract services excluding onsite Special Event Venue staffing. Special Event Venue staffing will be billed monthly based on actual hours worked and at a rate not to exceed twenty five dollars (\$25.00) per hour.

1 [TIHDI Professional Services Agreement]

2 **Resolution Approving and Authorizing the Execution of a Professional Services**
3 **Agreement between the Treasure Island Development Authority and the Treasure**
4 **Island Homeless Development Initiative for Fiscal Year 2014-2015**

5 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island
6 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States
7 of America ("the Federal Government"); and,

8 WHEREAS, The Base was selected for closure and disposition by the Base
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
10 subsequent amendments; and,

11 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
12 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
13 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
14 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
15 conversion of the Base for the public interest, convenience, welfare and common benefit of
16 the inhabitants of the City and County of San Francisco; and,

17 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
18 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
19 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
20 as a redevelopment agency under California redevelopment law with authority over the Base
21 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
22 Base which are subject to Tidelands Trust, vested the authority to administer the public trust
23 for commerce, navigation and fisheries as to such property in the Authority; and,

24 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
25 redevelopment agency for Treasure Island in 1997; and,

1 WHEREAS, The City and County of San Francisco, as the predecessor Local Reuse
2 Authority for the Base, negotiated a proposed Base Closure Homeless Assistance Agreement
3 and Option to Lease Real Property (the "Homeless Assistance Agreement") with the Treasure
4 Island Homeless Development Initiative ("TIHDI"), a consortium of nonprofit corporations
5 organized to utilize the available resources of the Base to help fill gaps in the continuum of
6 care for homeless persons and families, pursuant to the Base Closure Community
7 Redevelopment and Homeless Assistance Act of 1994; and,

8 WHEREAS, The Authority's purchasing policy and procedures authorize non-
9 competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement;
10 and,

11 WHEREAS, The Authority has supported TIHDI pursuant to the Base Closure
12 Community Redevelopment and Homeless Assistance Act of 1994 by contracting with TIHDI
13 for the performance of services related to (i) the coordination and facilitation of community-
14 based homeless service organizations in Treasure Island community activities; (ii)
15 participation in the development process to support development plans which implement the
16 proposed Homeless Assistance Agreement; (iii) development of housing units allocated to
17 TIHDI under the Homeless Assistance Agreement; and (iv) operation of a job broker system
18 and economic self-sufficiency programs for Island residents (collectively, the "Services"); and,

19 WHEREAS, The current contract between the Authority and TIHDI for the Services
20 expires June 30, 2014; and,

21 WHEREAS, The Authority and TIHDI have negotiated a new professional services
22 agreement (the "Agreement") for the continued performance of the Services for the period
23 from July 1, 2014 through June 30, 2015; and,
24
25

1 WHEREAS, Under the current contract and under the proposed Agreement, TIHDI
2 provided and will continue to provide the Services and will continue to be paid in twelve (12)
3 monthly installments of \$14,250 (totaling \$171,000); and,

4 WHEREAS, Under the proposed Agreement, TIHDI will also provide onsite staffing at
5 The Special Event Venues including Casa de la Vista, Building One, Great Lawn, Fogwatch
6 Picnic Area, to be billed monthly based on actual hours worked and at a rate not to exceed
7 twenty five dollars (\$25.00) per hour, and compensation for this work shall not exceed
8 \$25,000; and,.

9 WHEREAS, TIHDI represents and warrants that it is qualified to perform the Services
10 required by the Authority as set forth under the Agreement; now, therefore be it

11 RESOLVED, That the Authority hereby authorizes the Director of Island Operations to
12 execute the Agreement, effective July 1, 2014, with TIHDI for an amount not to exceed
13 \$196,000 which includes funding for staffing at The Special Event Venues including Casa de
14 la Vista, Building One, Great Lawn, Fogwatch Picnic Area, and the Chapel, in substantially the
15 form of the Agreement attached hereto as Exhibit A; and, be it

16 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of
17 Island Operations or her designee to enter into any additions, amendments or other
18 modifications to the Agreement that the Director of Island Operations determines in
19 consultation with the City Attorney are in the best interests of the Authority, that do not
20 materially increase the obligations or liabilities of the Authority, that do not materially reduce
21 the rights of the Authority, and are necessary or advisable to complete the preparation and
22 approval of the Agreement, such determination to be conclusively evidenced by the execution
23 and delivery by the Director of Island Operations or her designee of the documents and any
24 amendments thereto.
25

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 11, 2014.

Jean-Paul Samaha, Secretary

AGENDA ITEM 6 (e)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2014 and Continuing on a Month to Month Basis but Ending No Later than June 30, 2015, in an amount not to exceed \$166,150 (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

Toolworks, Inc. ("Toolworks"), a California nonprofit public benefit corporation and a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides training and employment development services that increase economic opportunities for economically-disadvantaged people with disabilities. One of Toolworks' programs is contractual janitorial services. For over 16 years, Toolworks has been providing janitorial services to the Treasure Island Development Authority ("Authority") through its janitorial division. Trainees are recruited through the TIHDI Job Broker Program and through the Homeless Employment Collaborative. Toolworks has developed a specific training program for Treasure Island that utilizes one fulltime supervisor. This person trains and supervises the work of four trainees who work up to five hours a day, five days a week for 10 weeks. The trainees are then assisted in finding fulltime janitorial jobs. Toolworks gives priority placement in this program to Treasure Island residents.

On November 26, 1996, the US Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") between the City & County of San Francisco (the "City") as the Local Reuse Authority for Treasure Island and TIHDI. The Homeless Assistance Agreement was drafted as an element of the City's election to comply with the conditions of the Base Closure, Community Redevelopment and Homeless Assistance Act of 1994, which requires the Local Reuse Authority to propose a plan for using Base resources to assist homeless persons in the City. The Authority is the Local Reuse Authority.

In 2011, the Authority and TIHDI executed the Amended and Restated Base Closure Homeless Assistance Agreement ("Amended Homeless Assistance Agreement"). The Board of Supervisors approved this agreement in Resolution No. 243-11. Within the Amended Homeless Assistance Agreement is the Jobs and Equal Opportunity Program ("JEOP") which describes job training

and employment opportunities for TIHDI's member organizations for formerly homeless and economically disadvantaged San Franciscans. Section 6 of the JEOP identifies specific opportunities for TIHDI member organizations who operate social enterprises to be given the Right of First Offer ("ROFO") for janitorial and landscaping services, among others. These contracts cannot be bid out outside TIHDI until the good faith process outlined in the ROFO process has been satisfied.

Under the proposed contract, Toolworks will provide janitorial services to the Treasure Island Childcare Facility located at Building 502, Casa de la Vista, Chapel and the Administration Building offices which consist of TIDA's Project Office and all Administration Building occupants, except the US Navy and the San Francisco Police Department. This is a "full service" contract, meaning Toolworks provides janitorial services as well as paper products, cleaning supplies and equipment. Routine services are for five days a week for an amount not to exceed \$12,275 per month or \$147,300 for a month to month term starting July 1, 2014 and ending no later than June 30, 2015. The Professional Services Agreement also provides for post event cleaning services which shall be billed monthly on a per event basis, and charged at a rate of: Casa de la Vista- \$350 per event; and Chapel- \$100 per event. Total compensation for all services under this Professional Services Agreement shall not exceed \$166,150.

PROFESSIONAL SERVICES AGREEMENT TERMS AND CONDITIONS

The salient terms and conditions of the proposed Professional Services Agreement include the following:

Locations: Building 502 (Childcare Facility), Casa de la Vista, Chapel, and Administration Building

Commencement Date: July 1, 2014

Term: Month-to-Month

Compensation: Amount not to exceed Twelve Thousand Two Hundred Seventy Five Dollars (\$12,275) per month and One Hundred Forty Seven Thousand Three Hundred Dollars (\$147,300) for 12 months, with a total not to exceed amount, including per event services, of One Hundred Sixty Six Thousand One Hundred and Fifty Dollars (\$166,150)

Janitorial Services: Contractor will provide the following services, materials and supplies: soap, toilet paper, hand towels, seat covers for all restrooms and kitchens in all venues with the exception of hand towels at the Childcare Facility; uniform soap and paper goods dispensers for all restrooms and kitchens in all venues; and transport of equipment and personnel.

BUDGET IMPACT

The Agreement provides Toolworks with an amount not to exceed \$166,150 during FY 2014-2015. This amount provides the same level of funding from FY 2013/14 for contract services. The Agreement also provides an increase of \$14,150 to cover 12 months of post event cleaning services.

RECOMMENDATION

Staff believes that Toolworks' mission, purpose, and program is consistent with the Amended Homeless Assistance Agreement. Project Staff recommends the Authority Board approve the proposed Professional Services Agreement for janitorial services with Toolworks commencing on July 1, 2013 for an amount not to exceed \$166,150 for Fiscal Year 2014-2015.

EXHIBITS

Exhibit A: Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

**Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130**

**Agreement between the Treasure Island Development Authority and
TOOLWORKS, INC.**

This Agreement is made this 1st day of July, 2014, in the City and County of San Francisco, State of California, by and between Toolworks, Inc., a California nonprofit public benefit corporation, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority wishes to procure janitorial services at Naval Station Treasure Island; and,

WHEREAS, Janitorial and other building maintenance services are identified in the Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans; and,

WHEREAS, The Amended and Restated Base Closure Homeless Assistance Agreement between the Authority and the Treasure Island Homeless Development Initiative ("TIHDI") and the Jobs and Equal Opportunity Program approved by the Board of Supervisors require Authority to negotiate in good faith with TIHDI member organizations; and,

WHEREAS, Contractor, a member organization of TIHDI, provides janitorial services that increase economic opportunities for economically-disadvantaged people and people with disabilities; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2014 to June 30, 2015. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Calculation of Charges / Scope of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the tenth day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the final day of the immediately preceding month. In no event shall the amount of this Agreement exceed One Hundred Sixty Six Thousand One Hundred and Fifty Dollars (\$166,150). The breakdown of costs associated with this Agreement appears in Appendix A, "Calculation of Charges / Scope of Services," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at [http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates&sfm=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates&sfm=default.htm3.0vid=amlegal:sanfrancisco_ca$sync=1). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Disallowance – Left blank by agreement of the parties

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto; shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a “possessory interest” for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a “change in ownership” for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence, \$2,000,000 aggregate for bodily injury, property damage, contractual liability, personal injury, products and completed operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Authority and the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the Authority address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences

during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of Five Hundred Dollars (\$500) per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority..

20. Default; Remedies

Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- | | |
|---|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-free workplace policy |
| 10. Taxes | 53. Compliance with laws |
| 15. Insurance | 55. Supervision of minors |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment | |

Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

- (1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.
- (2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- (3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or

other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting false claims
9. Disallowance
10. Taxes
11. Payment does not imply acceptance of work
13. Responsibility for equipment
14. Independent Contractor; Payment of Taxes and Other Expenses
15. Insurance
16. Indemnification
17. Incidental and Consequential Damages
18. Liability of City
24. Proprietary or confidential information of City
26. Ownership of Results
27. Works for Hire
28. Audit and Inspection of Records
48. Modification of Agreement.
49. Administrative Remedy for Agreement Interpretation.
50. Agreement Made in California; Venue
51. Construction
52. Entire Agreement
56. Severability
57. Protection of private information

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0299

To Contractor: **Toolworks, Inc.**
25 Kearny Street, Suite 400
San Francisco, CA. 94108
Attn: Steven Crabel, Executive Director
FAX (415)733-0991

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the

Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after

Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(c), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, the board of a state agency on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide Authority the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this

Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. Authority is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 Chapter 12Q are incorporated by reference and made a part of

this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City or Authority with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically

disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year.

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Supervision of Minors – Left blank by agreement of the parties

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be

enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the

remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City and Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City and Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City and Authority because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure – Left blank by agreement of the Parties.

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

62. Wages and Working Conditions.

Contractor agrees that any person performing labor in the construction of any improvements and any Alterations, which Contractor provides under this agreement, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Contractor shall include, in any contract for construction of such Improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Contractor shall require any contractor to provide, and shall deliver to Authority upon request, certified payroll reports with respect to all persons performing labor in the construction of such improvement work or any Alterations to the Premises.

63. Miscellaneous Prevailing Wage Requirements.

Contractor agrees to comply, to the extent required by law, with San Francisco Administrative Code Section 21C et seq. San Francisco Administrative Code Section 21C.1 – Section 21C.7 are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	CONTRACTOR TOOLWORKS, INC.
By: _____ Mirian Saez, Director of Island Operations Treasure Island	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
Approved as to Form: Dennis J. Herrera City Attorney	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
By: _____ Deputy City Attorney	_____ STEVEN CRABIEL, EXECUTIVE DIRECTOR, 25 KEARNY STREET, SUITE 400 SAN FRANCISCO, CA 94108 FEIN 94-2493384 PHONE – (415) 733-0330 FAX (415)733-0991 City vendor number: 46565

Appendix

A: Calculation of Charges and Scope of Services to be provided by Contractor

Appendix A

Calculation of Charges / Scope of Services

Compensation of up to one hundred forty seven thousand and three hundred dollars (\$147,300), payable in twelve monthly installments of \$12,275 for routine janitorial services for the Childcare Facility, Administration Building Offices, Casa de la Vista and Chapel; and post event cleaning charges for events held at the Casa de la Vista and Chapel. Post event cleaning charges shall be charged per event as follows:

Casa de la Vista- \$350 per event

Chapel- \$100 per event

Total compensation for all services under the Professional Services Agreement shall not exceed \$166,150.

Contractor will provide the following services and materials:

- Cleaning equipment, materials and supplies
- Soap, toilet paper, hand towels, seat covers for all restrooms and kitchens in all venues with the exception of roll hand towels at the Childcare Facility.
- Uniform soap and paper goods dispensers for all restrooms and kitchens in all venues
- Transport of equipment and personnel

This budget represents total annual compensation that shall be paid to Contractor. Contractor shall submit an invoice for compensation to the attention of the Executive Director within 10 days of the final day of each month as compensation for the month. Authority shall pay invoice within 30 days of receipt of invoice.

1 [TOOLWORKS PROFESSIONAL SERVICE AGREEMENT]

2

3 **Resolution Approving and Authorizing the Execution of a Professional Services**
4 **Agreement between the Treasure Island Development Authority and Toolworks, Inc., to**
5 **Provide Janitorial Services Commencing July 1, 2014 and Continuing on a Month to**
6 **Month Basis but Ending No Later than June 30, 2015, in an amount not to exceed**
7 **\$166,150**

8

9 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island
10 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States
11 of America ("the Federal Government"); and,

12 WHEREAS, The Base was selected for closure and disposition by the Base
13 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
14 subsequent amendments; and,

15 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
16 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
17 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
18 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
19 conversion of the Base for the public interest, convenience, welfare and common benefit of
20 the inhabitants of the City and County of San Francisco; and,

21 WHEREAS, Under the Treasure Island Conversion Act of 1997 (the "Act"), which
22 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
23 Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as
24 a redevelopment agency under California redevelopment law with authority over the Base
25

1 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
2 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
3 administer the public trust for commerce, navigation and fisheries as to such property; and,

4 WHEREAS, On February 6, 1998, the Board of Supervisors adopted Resolution No.
5 43-98 approving the designation of the Authority as a redevelopment agency for Treasure
6 Island and Yerba Buena Island; and,

7 WHEREAS, The Authority has negotiated and endorsed a proposed Base Closure
8 Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless
9 Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"),
10 a consortium of California nonprofit corporations organized to utilize the resources of the Base
11 to help fill gaps in the continuum of care for homeless persons and families, pursuant to the
12 Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

13 WHEREAS, In 2011, the Authority and TIHDI executed the Amended and Restated
14 Base Closure Homeless Assistance Agreement ("Amended Homeless Assistance
15 Agreement") and approved by the Board of Supervisors in Resolution no. 243-11; and,

16 WHEREAS, Within the Amended Homeless Assistance Agreement is the Jobs and
17 Equal Opportunity Program ("JEOP") which describes job training and employment
18 opportunities for TIHDI's member organizations for formerly homeless and economically
19 disadvantaged San Franciscans; and,

20 WHEREAS, The Authority wishes to support TIHDI pursuant to the Base Closure
21 Community Redevelopment, Homeless Assistance Act of 1994, and Amended Homeless
22 Assistance Agreement; and,
23
24
25

1 WHEREAS, Toolworks, Inc. a California nonprofit corporation ("Toolworks"), is a
2 member organization of TIHDI, and has demonstrated that it is qualified to perform the
3 janitorial and other building maintenance services required by the Authority as set forth in the
4 proposed contract; and,

5 WHEREAS, Since September 1, 2004, the Authority has contracted with Toolworks for
6 janitorial and other building maintenance services on the former Base, and the current
7 contract expires June 30, 2014; and,

8 WHEREAS, Section 6 of the JEOP identifies specific opportunities for TIHDI member
9 organizations to be given the Right of First Offer ("ROFO") for janitorial and landscaping
10 services, among others. These contracts cannot be bid out outside TIHDI until the good faith
11 process outlined in the ROFO process has been satisfied; and,

12 WHEREAS, The Authority, following the ROFO process, negotiated with Toolworks to
13 reach agreement on the terms of a new Professional Services Agreement (the "Agreement")
14 in an amount not to exceed One Hundred Sixty Six Thousand One Hundred and Fifty Dollars
15 (\$166,150), which (i) describes the scope of work for the services shown in Appendix A of the
16 Agreement, and (ii) establishes the term of the Agreement for a month-to-month period
17 commencing July 1, 2014 and expiring on June 30, 2015; now, therefore be it

18 RESOLVED, That the Authority hereby authorizes the Director of Island Operations or
19 her designee to execute the Agreement with Toolworks in substantially the form attached
20 hereto as Exhibit A; and be it

21 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of
22 Island Operations or her designee to enter into any additions, amendments or other
23 modifications to the Agreement that the Director of Island Operations or her designee
24 determines in consultation with the City Attorney are in the best interests of the Authority, that
25

1 do not materially increase the obligations or liabilities of the Authority, that do not materially
2 reduce the rights of the Authority, and are necessary or advisable to complete the preparation
3 and approval of the Agreement, such determination to be conclusively evidenced by the
4 execution and delivery by the Director of Island Operations or her designee of the documents
5 and any amendments thereto.

6 **CERTIFICATE OF SECRETARY**

7 I hereby certify that I am the duly elected Secretary of the Treasure Island
8 Development Authority, a California nonprofit public benefit corporation, and that the
9 above Resolution was duly adopted and approved by the Board of Directors of the
10 Authority at a properly noticed meeting on June 11, 2014.

11
12
13
14

Jean-Paul Samaha, Secretary
15
16
17
18
19
20
21
22
23
24
25



AGENDA ITEM 6 (f)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Authorizing the Director of Island Operations to Execute a Month to Month Professional Services Agreement with Rubicon Enterprises, Inc., to Provide Landscape Services Commencing on July 1, 2014 and Ending June 30, 2015 for an amount not to exceed \$61,540.83 per month and \$738,490 for 12 months (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

Rubicon Enterprises, Inc., a California nonprofit corporation ("Rubicon") and a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides services that increase employment opportunities for economically-disadvantaged people. For over twenty years, Rubicon has been providing landscape services to Treasure and Yerba Buena Islands through its Landscape Services Division. Rubicon provides stable employment to disabled and economically disadvantaged individuals from San Francisco. The Treasure Island operation has employed over seventy Rubicon Landscape employees through the TIHDI referral programs. Some of the TIHDI referrals have been promoted to supervisor positions, and others have moved on to opportunities, including working for SF Recreation and Parks Department and SF Conservation Corps.

On November 26, 1996, the US Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") between the City & County of San Francisco (the "City") as the Local Reuse Authority for Treasure Island and TIHDI. The Homeless Assistance Agreement was drafted as an element of the City's election to comply with the conditions of the Base Closure, Community Redevelopment and Homeless Assistance Act of 1994, which requires the Local Reuse Authority to propose a plan for using base resources to assist homeless persons in the City. The Treasure Island Development Authority (the "Authority") is the Local Reuse Authority.

In 2011, the Authority and TIHDI executed the Amended and Restated Base Closure Homeless Assistance Agreement ("Amended Homeless Assistance Agreement"). The Board of Supervisors ("BOS") approved this agreement in Resolution No. 243-11. Within the Amended Homeless Assistance Agreement is the Jobs and Equal Opportunity Program ("JEOP") which describes job training and employment opportunities for TIHDI's member organizations for formerly homeless and economically disadvantaged San Franciscans. Section 6 of the JEOP identifies specific opportunities for TIHDI member organizations who operate social enterprises to be given the Right of First Offer ("ROFO") for landscape maintenance services, among others.

These contracts cannot be bid outside TIHDI until the good faith process outlined in ROFO has been satisfied.

The current landscaping services contract between the Authority and Rubicon expires on June 30, 2014. The Authority and Rubicon have negotiated a new Professional Services Agreement (the "Agreement") for a month to month term for the period of July 1, 2014 through June 30, 2015, for a total not to exceed amount of \$738,490. Routine and adjunct services are for five days a week for an amount not to exceed \$61,540.83 per month totaling \$738,490.

PROFESSIONAL SERVICES AGREEMENT TERMS AND CONDITIONS

The salient terms and conditions of the proposed Professional Services Agreement include the following:

Location: Treasure Island and Yerba Buena Island

Commencement Date: July 1, 2014

Term: Month-to-Month

Compensation: Amount not to exceed Seven Hundred Thirty Eight Thousand Four Hundred and Ninety Dollars (\$738,490)

Landscape Maintenance Services:

Blowing – Clean street, parking areas, sidewalks and turf areas of plant debris;

Detailing – Clean plant beds, remove weeds and debris, general plant bed maintenance;

Disease and Insect Control – Address plant disease and insect problems using Integrated Pest Management techniques;

Edging – Trim turf at edge of pavement;

Empty Trash – Empty public trash receptacles in public areas, including bus stops, marina, and perimeter trail, as well as replenishing of doggie bags in same areas;

Fertilize – Fertilize shrubs and turf;

Mowing – Cut grass in irrigated and non-irrigated areas;

Mulch – Maintain 2" minimum mulch layer in plant beds;

Litter Pickup – Removal and disposal of litter from streets, parking areas, sidewalks and turf areas, including small tree limbs;

Process Plant Debris – Using grinder and chipper, grind and chip green waste, and maintain compost pile;

Pruning – Prune shrubs for shape and plant health;

Spraying – Spray herbicide on weeds in plant beds and pavement cracks;

Trimming – Trim around trees, shrubs, obstacles, etc.;

Watering – Operating irrigation equipment and settings for automated irrigation, and perform hand watering where system is unavailable;

Irrigation Maintenance – adjusting irrigation and sprinkler systems;

Bulk Debris – Removal and disposal of large debris items such as abandoned furniture, trash, etc.

Landscape Maintenance

Contracted Services:

Landscape Maintenance Services Not Performed By Rubicon—
Contracted Out To others

Installation of new landscapes and / or renovation of existing landscapes, including irrigation replacement and repair of equipment;

Tree Service – Tree service above 15 feet from ground, including pruning, removal of trees, and cutting of large fallen trees and branches

BUDGET IMPACT

The Professional Services Agreement provides Rubicon with an amount not to exceed \$738,490 during FY 2014-2015. This amount increases the level of funding from FY 2013/14 by \$33,490 to support the anticipated minimum wage increase during the Fiscal Year.

RECOMMENDATION

Staff believes that Rubicon's mission, purpose, and program is consistent with the Amended Homeless Assistance Agreement. Project Staff recommends the Authority Board approve the proposed month-to-month contract for landscape maintenance services with Rubicon commencing on July 1, 2014 for an amount not to exceed \$738,490.

EXHIBITS

EXHIBIT A: Professional Services Agreement between the Treasure Island Development Authority and Rubicon Enterprises, Inc

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



**Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130**

**Agreement between the Treasure Island Development Authority and
Rubicon Enterprises, Inc.**

This Agreement is made this 1st day of July, 2014, in the City and County of San Francisco, State of California, by and between Rubicon Enterprises, Inc., a California nonprofit corporation, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Amended and Restated Base Closure Homeless Assistance Agreement between the Authority and the Treasure Island Homeless Development Initiative ("TIHDI") and the Jobs and Equal Opportunity Program approved by the Board of Supervisors require Authority to negotiate in good faith with TIHDI member organizations; and,

WHEREAS, the Authority wishes to procure landscape and grounds maintenance services at Naval Station Treasure Island; and,

WHEREAS, Landscape and grounds maintenance services are identified in the Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans; and,

WHEREAS, Contractor, a member organization of TIHDI, provides landscape and grounds maintenance services that increase economic opportunities for economically-disadvantaged people and people with disabilities; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

- 1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation**

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month-to-month term from July 1, 2014 to June 30, 2015. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Landscape Budget for TI/YBI (Treasure Island/Yerba Buena Island) Service Areas," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the tenth day of each month for work performed in the previous month, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the final day of the immediately preceding month. In no event shall the amount of this Agreement exceed Seven Hundred Thirty Eight Thousand Four Hundred and Ninety Dollars (\$738,490). The breakdown of costs associated with this Agreement appears in Appendix A,

"Landscape Budget for TI/YBI Service Areas," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at [http://www.amlgal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlgal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or

employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Left blank by agreement of the parties (Disallowance)

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence, \$2,000,000 aggregate for bodily injury, property damage, contractual liability, personal injury, products and completed operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to Authority of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

**Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Director of Island Operations**

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to Authority certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Authority, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS

OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of **Five Hundred Dollars (\$500)** per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority.

20. Default; Remedies

Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- | | |
|---|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-free workplace policy |
| 10. Taxes | 53. Compliance with laws |
| 15. Insurance | 55. Supervision of minors |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment | |

Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with

respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively

high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, and 57.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Authority if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0299

To Contractor: **Rubicon Enterprises, Inc.**
154 So. 23rd St.
Richmond, CA. 94804
Attn: Jane Fischberg,
President and Executive Director
510.412.1751 – FAX
FEIN: 68-0353815

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel

and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently

pursue such cure to completion, the Authority may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each

person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City and Authority premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot

reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This

obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far

fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance

of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties (Supervision of Minors)

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Authority because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties (Slavery Era Disclosure)

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

62. Wages and Working Conditions.

Contractor agrees that any person performing labor in the construction of any improvements and any Alterations, which Contractor provides under this agreement, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Contractor shall include, in any contract for construction of such Improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Contractor shall require any contractor to provide, and shall deliver to Authority upon request, certified payroll reports with respect to all persons performing labor in the construction of such improvement work or any Alterations to the Premises.

63. Miscellaneous Prevailing Wage Requirements.

Contractor agrees to comply, to the extent required by law, with San Francisco Administrative Code Section 21C et seq. San Francisco Administrative Code Section 21C.1 – Section 21C.7 are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	CONTRACTOR RUBICON ENTERPRISES, INC.
By: _____ Mirian Saez, Director of Island Operations Treasure Island	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
Approved as to Form: Dennis J. Herrera City Attorney	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
By: _____ Deputy City Attorney	_____ Jane Fischberg, President and Executive Director

Appendix

A: Landscape Budget for TI/YBI Service Areas

Appendix "A"
Landscape Budget for TI/YBI Service Areas

Routine landscape services for Treasure and Yerba Buena Islands for an amount not to exceed \$61,540.83 per month, or \$738,490 for the month-to-month period commencing on July 1, 2014. Below is the Landscape Maintenance Scope of Services to be performed by Rubicon Landscape at Treasure and Yerba Buena Islands, for FY 2014-2015:

**Landscape Maintenance
Services:**

Blowing – Clean street, parking areas, sidewalks and turf areas of plant debris;

Detailing – Clean plant beds, remove weeds and debris, general plant bed maintenance;

Disease and Insect Control – Address plant disease and insect problems using Integrated Pest Management techniques;

Edging – Trim turf at edge of pavement;

Empty Trash – Empty public trash receptacles in public areas, including bus stops, marina, and perimeter trail, as well as replenishing of doggie bags in same areas;

Fertilize – Fertilize shrubs and turf;

Mowing – Cut grass in irrigated and non-irrigated areas;

Mulch – Maintain 2" minimum mulch layer in plant beds;

Litter Pickup – Removal and disposal of litter from streets, parking areas, sidewalks and turf areas, including small tree limbs;

Process Plant Debris – Using grinder and chipper, grind and chip green waste, and maintain compost pile;

Pruning – Prune shrubs for shape and plant health;

Spraying – Spray herbicide on weeds in plant beds and pavement cracks;

Trimming – Trim around trees, shrubs, obstacles, etc.;

Watering – Operating irrigation equipment and settings for automated irrigation, and perform hand watering where system is unavailable;

Irrigation Maintenance – adjusting irrigation and sprinkler systems;

Bulk Debris – Removal and disposal of large debris items such as abandoned furniture, trash, etc.

**Landscape Maintenance
Contracted Services:**

Landscape Maintenance Services Not Performed By Rubicon

Installation of new landscapes and / or renovation of existing landscapes, including irrigation replacement and repair of equipment;

Tree Service – Tree service above 15 feet from ground, including pruning, removal of trees, and cutting of large fallen trees and branches

Landscape Budget for TI/YBI Service Areas

Rubicon Landscape

Scope - FY 2014-2015						
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year
1						
Gas Station	Weekly	Pick up fallen branches	14,725	0.39	26	10
		Pick up litter	14,725	0.39	26	10
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	20,948	0.74	12	9
		Blow hard surfaces and remove plant debris	12,777	1.32	12	16
	Monthly	Edge and trim	446	1.04	0	0
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	125,777	3.78	6	23
	4 times annual	Prune shrubs/trees	3,000	3	4	13
		Weed ground cover and/or rock slopes	3,625	3.03	4	12
						92
2						
Navy Storage	Weekly	Pick up fallen branches	9,237	0.25	26	6
		Pick up litter	9,237	0.25	26	6
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	3,378	0.12	12	1
		Blow hard surfaces and remove plant debris	83,762	0.93	12	11
	Monthly	Edge and trim	157	0.37	0	0
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	83,384	2.57	6	15
	4 times annual	Weed ground cover and/or rock slopes				
		Prune shrubs/trees	884	1	4	4
						45
3A						
Fire School-From east sidewalk to sea wall	Weekly	Pick up fallen branches	34,528	0.09	26	2
		Pick up litter	34,528	0.09	26	2
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.				
		Blow hard surfaces and remove plant debris	28,288	0.30	12	4
	Monthly	Edge and trim				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	25,288	0.85	6	5
	4 times annual	Prune shrubs/trees	1,579	2	4	7
		Weed ground cover and/or rock slopes	5,240	2.19	4	9
						29
Add Back Fire School						350
3B						
8th St. Little League From sidewalk to sea wall	Weekly	Pick up fallen branches	26,530	0.08	26	2
		Pick up litter	26,530	0.08	26	2
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.				
		Blow hard surfaces and remove plant debris	23,775	0.25	12	3
	Monthly	Edge and trim				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	22,775	0.72	6	4
	4 times annual	Prune shrubs/trees	2,219	2	4	9
		Weed ground cover and/or rock slopes	4,755	1.67	4	7
						27
4						
Tennis Courts, fenced off storage	Weekly	Pick up fallen branches	123,150	0.34	26	9
		Pick up litter	123,150	0.34	26	9
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	79,371	2.78	12	33
		Blow hard surfaces and remove plant debris	45,639	0.48	12	6
	Monthly	Edge and trim	1,075	2.51	0	0
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	46,639	1.40	6	8
	4 times annual	Prune shrubs/trees	20,630	9	4	35
		Weed ground cover and/or rock slopes	3,150	1.11	4	4
						105
Eliminate all work in fenced-in area, not previously excluded						(26)
5						
4th St. Little League Area west of field storage	Weekly	Pick up fallen branches	73,728	0.19	26	5
		Pick up litter	73,728	0.19	26	5
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	11,640	0.41	12	5
		Blow hard surfaces and remove plant debris	56,118	0.59	12	7
	Monthly	Edge and trim				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	56,118	1.69	6	10
	4 times annual	Prune shrubs/trees	4,515	5	4	19
		Weed ground cover and/or rock slopes	5,970	2.09	4	8
						60
6						
Former bldg 233 and gravel triangle	Weekly	Pick up fallen branches	654,761	0.73	26	19
		Pick up litter	654,761	1.46	26	38
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.				

Landscape Budget for TI/YBI Service Areas

Rubicon Landscape

						Scope - FY 2014-2015
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year
		Blow hard surfaces and remove plant debris	530,676	2.83	12	34
	Monthly	Edge and trim				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	530,676	16.20	6	97
	4 times annual	Prune shrubs/trees	937	1	4	4
		Weed ground cover and/or rock slopes	16,185	5.68	4	23
						215
7						
Pier	No Scope in this Area					
8						
PUC	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	102,469	3.08	6	18
	4 times annual	Prune shrubs/trees	1,260	1	4	5
		Blow hard surfaces and remove plant debris	102,469	1.06	4	4
						28
9						
Brig	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	12,786	1.04	91	94
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	12,786	1.92	48	88
		Pick up fallen branches/turf	12,786	0.03	48	2
		Pick up litter/turf	12,786	0.03	48	2
		Pick up fallen branches	7,185	0.20	26	5
		Pick up litter	7,185	0.20	26	5
		Blow hard surfaces and remove plant debris	6,648	0.68	26	18
	Bi-weekly	Trim and Edge	221	0.52	23	12
		Non-irrigated lawn-Mow bi-weekly in the growing season.	7,309	0.26	12	3
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	64,648	1.94	6	12
	4 times annual	Fertilize lawns	12,786	1	4	2
		Prune shrubs/trees	1,162	1	4	5
						248
10						
Behind Brig	Weekly	Pick up fallen branches	67,176	0.18	26	5
		Pick up litter	67,176	0.18	26	5
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	2,828	0.09	12	1
		Blow hard surfaces and remove plant debris	64,648	0.68	12	8
	Monthly	Edge and trim	222	0.52	0	0
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	64,648	1.94	6	12
	4 times annual	Prune shrubs/trees				
						30
11						
bidg 264	Weekly	Pick up fallen branches	53,460	0.141	26	4
		Pick up litter	53,460	0.141	26	4
	Bi-weekly	Blow hard surfaces and remove plant debris	53,460	0.56	12	7
	Monthly	Edge and trim	491	1.15	9	10
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	53,460	1.61	6	10
	4 times annual	Prune shrubs/trees	496	1	4	2
						38
12						
Shaw holding area	Weekly	Pick up fallen branches	71,206	0.19	26	5
Perimeter only		Pick up litter	71,206	0.19	26	5
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	7,350	0.26	12	3
	Monthly	Edge and trim	825	1.23	9	11
		Blow hard surfaces and remove plant debris	63,856	0.67	12	8
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	63,856	1.92	6	12
	4 times annual	Prune shrubs/trees	2,205	2	4	9
						53
13						
Ship Shape	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	5,812	0.47	91	43
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	5,812	0.87	48	40
		Pick up fallen branches/turf	5,812	0.02	48	1
		Pick up litter/turf	5,812	0.02	48	1
		Pick up fallen branches	135,190	0.36	26	9
		Pick up litter	135,190	0.36	26	9
		Blow hard surfaces and remove plant debris	135,190	1.42	26	37
	Bi-weekly	Trim and Edge				9
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	135,190	4.07	6	24
	4 times annual	Fertilize lawns	5,812	0	4	1
		Prune shrubs/trees	2,549	3	4	11
						176

Landscape Budget for T/YBI Service Areas

Rubicon Landscape

Scope - FY 2014-2015						
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year
14						
TI Gym	Twice weekly	Operate manual irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	4,181	1.45	91	132
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	4,181	6.54	46	305
		Pick up fallen branches/turf	4,181	0.12	46	5
		Pick up litter/turf	4,181	0.12	46	5
		Pick up fallen branches	5,183	0.15	26	4
		Pick up litter	5,183	0.15	26	4
		Blow hard surfaces and remove plant debris	5,297	0.58	26	15
	Bi-weekly	Trim and Edge	1,153	2.70	23	62
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,297	1.66	6	10
	4 times annual	Fertilize lawns	44,181	2	4	8
		Prune shrubs/trees	11,572	0.35	6	2
						563
15						
Bldgs 260, 261, 401	Weekly	Pick up fallen branches	16,555	0.44	26	11
Perimeter only		Pick up litter	16,555	0.44	26	11
	Bi-weekly	Non-irrigated lawn--mow bi-weekly in the growing season.	4,657	0.70	12	8
		Blow hard surfaces and remove plant debris	16,898	1.69	12	20
	Monthly	Edge and trim	414	0.97	9	9
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	16,898	4.84	6	29
	4 times annual	Prune shrubs/trees	2,068	0.06	4	0
						69
16						
Old CC Meyers/	Weekly	Pick up fallen branches	423,374	0.56	26	15
Old Compost Area		Pick up litter	423,374	1.13	26	29
	Bi-weekly	Non-irrigated lawn--mow bi-weekly in the growing season.	153,985	5.81	12	67
		Blow hard surfaces and remove plant debris	269,389	2.84	12	34
	Monthly	Edge and trim				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	269,389	8.10	6	49
	4 times annual	Prune shrubs/trees	7,080	7	4	30
						224
Additional Scope	Weekly	Pick up litter	6,040	0.18	26	5
Added Gravel Area	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	6,040	2.05	6	12
						17
17						
Gravel area	Weekly	Pick up fallen branches	63,636	0.17	52	9
		Pick up litter	63,636	0.17	52	9
	Bi-weekly	Blow hard surfaces and remove plant debris	57,572	0.61	12	7
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	57,572	1.73	6	10
	4 times annual	Prune shrubs/trees	806	1	4	3
						39
18						
Bldgs 201, 202	Weekly	Pick up fallen branches	123,394	0.33	26	9
perimeter of buildings		Pick up litter	123,394	0.33	26	9
	Bi-weekly	Non-irrigated lawn--mow bi-weekly in the growing season.	2,183	0.08	12	1
		Blow hard surfaces and remove plant debris	124,211	1.31	12	16
	Monthly	Edge and trim	160	0.37	9	3
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	124,211	3.74	6	22
	4 times annual	Prune shrubs/trees	2,475	3	4	10
		Groundcover				
						70
18A Additional Scope						
Gaelic Association Field,	Weekly	Pick up fallen branches	13,296	0.07	26	2
Perimeter only		Pick up litter	13,296	0.03	26	1
	Bi-weekly	Non-irrigated lawn--mow bi-weekly in the growing season.	3,300	0.12	12	1
		Blow hard surfaces and remove plant debris	3,300	0.03	12	0
	Monthly	Edge and trim	1,100	2.57	9	23
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	9,996	0.30	6	2
	4 times annual	Prune shrubs/trees	1,000	1	4	4
		Groundcover				
						34
19						
CC MEYERS	Weekly	Pick up fallen branches	102,966	0.27	26	7
Perimeter only		Pick up litter	102,966	0.27	26	7
	Bi-weekly	Non-irrigated lawn--mow bi-weekly in the growing season.				
		Blow hard surfaces and remove plant debris	87,973	0.93	12	11
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	87,973	2.65	6	16

Landscape Budget for T/YBI Service Areas

Rubicon Landscape

						Scope - FY 2014-2015			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year			
	4 times annual	Prune shrubs/trees	11,245	12	4	47			
		Weed ground cover and/or rock slopes	14,993	5	4	21			
						109			
19A Additional Scope									
Gaelic Association Field, Perimeter only	Weekly	Pick up fallen branches	12,144	0.03	26	1			
		Pick up litter	12,144	0.03	26	1			
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	3,300	0.12					
		Blow hard surfaces and remove plant debris	5,844	0.09	12	1			
	Monthly	Edge and trim	1,283	3.00	9	27			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,844	0.27	6	2			
	4 times annual	Prune shrubs/trees	0	0	4	0			
		Weed ground cover and/or rock slopes	0	0	4	0			
						31			
20									
bdg 257 across from Kidango	Weekly	Pick up fallen branches	65,518	0.17	26	4			
		Pick up litter	65,518	0.17	26	4			
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	27,865	1.33	12	16			
		Blow hard surfaces and remove plant debris	27,863	0.29	12	3			
	Monthly	Edge and trim	1,283	3.00	6	18			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	27,863	0.63	4	3			
	4 times annual	Prune shrubs/trees	11,360	12	4	48			
						98			
21									
bdgs 29, 229	Weekly	Pick up fallen branches	26,134	0.35	26	9			
		Pick up litter	26,134	0.71	26	9			
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	66,124	2.39	12	81			
		Blow hard surfaces and remove plant debris	20,010	2.12	12	29			
	Monthly	Edge and trim	760	1.78	6	13			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	201,010	6.06	6	11			
	4 times annual	Prune shrubs/trees	6,705	7	4	24			
		Weed ground cover and/or rock slopes							
						103			
22A									
Perimeter of little league	Weekly	Pick up fallen branches	80,350	0.24	26	6			
		Pick up litter	80,350	0.24	26	6			
	Bi-weekly	Blow hard surfaces and remove plant debris	73,975	0.78	12	9			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	73,975	2.22	6	13			
	4 times annual	Prune shrubs/trees	7,688	8	4	32			
		Weed ground cover and/or rock slopes	15,375	5	4	22			
						89			
22B									
Parkway along 9th Street adjacent to Job Corps	Weekly	Pick up fallen branches	14,552	0.04	26	1			
		Pick up litter	14,552	0.04	26	1			
	Bi-weekly	Blow hard surfaces and remove plant debris	13,064	0.14	12	2			
		Non-irrigated lawn-Mow bi-weekly in the growing season.							
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	13,064	0.39	4	2			
	4 times annual	Prune shrubs/trees	744	1	4	3			
						8			
22C									
Parkways along 9th Street between Job Corps and 1400's	Monthly	Monitor irrigation systems and water areas without irrigation during dry season, as needed, monthly	13,116	0.86	9	8			
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	13,116	1.97	48	91			
		Pick up fallen branches/turf	13,116	0.03	48	2			
		Pick up litter/turf	13,116	0.03	48	2			
		Pick up fallen branches	44,007	0.06	48	3			
		Pick up litter	44,007	0.12	48	5			
	Bi-weekly	Trim and Edge	2,198	5.11	23	119			
		Blow hard surfaces and remove plant debris	44,007	0.46	26	12			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	44,007	1.32	6	8			
	4 times annual	Prune shrubs/trees	2,623	3	4	11			
		Fertilize lawns	13,116	1	4	2			
						261			
23									
Legal Bldg	Weekly	Pick up fallen branches	105,050	0.55	26	14			
		Pick up litter	105,050	0.55	26	14			
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	103,400	3.63	12	44			

Landscape Budget for T/YBI Service Areas

Rubicon Landscape

Scope - FY 2014-2015						
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year
		Blow hard surfaces and remove plant debris	550	0.02	12	0
	Monthly	Edge and trim	861	4.35	9	39
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	550	0.05	6	0
	4 times annual	Prune shrubs/trees	2,680	22	4	87
						199
24						
Nimitz	Twice weekly	Operate manual irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	51,681	1.70	91	155
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	51,681	7.77	46	357
		Pick up fallen branches/turf	5,681	0.14	46	6
		Pick up litter/turf	51,681	0.14	46	6
		Pick up fallen branches	4,434	0.11	46	5
		Pick up litter	43,434	0.11	46	5
		Blow hard surfaces and remove plant debris	4,434	0.46	26	12
	Bi-weekly	Trim and Edge	398	0.93	23	21
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	4,434	1.31	6	8
	4 times annual	Fertilize lawns	5,681	2.27	4	9
		Prune shrubs/trees	2,841	27	4	109
						694
25						
Tennis courts	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	9,342	0.76	91	69
	Weekly	Mow lawn areas, as needed, to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	9,342	1.40	40	56
		Blow hard surfaces and remove plant debris, not including tennis courts	3,086	0.34	26	9
		Pick up fallen branches/turf	9,342	0.02	46	1
		Pick up litter/turf	9,342	0.02	46	1
		Pick up fallen branches, including tennis courts	37,086	0.08	26	2
		Pick up litter, including tennis courts	37,086	0.08	26	2
		Trim and Edge	398	0.93	23	21
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces, not including tennis courts	32,086	0.96	6	6
	4 times annual	Prune shrubs/trees	3,846	4.05	4	16
		Fertilize lawns	9,342	0.41	4	2
						165
26A						
TI School	Weekly	Pick up fallen branches	53,915	0.14	52	7
		Pick up litter	53,915	0.14	52	7
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	25,933	0.91	12	11
		Blow hard surfaces and remove plant debris	27,982	0.29	24	7
	Monthly	Edge and trim	826	1.93	9	17
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	27,982	0.84	6	5
	4 times annual	Prune shrubs/trees	2,593	3	4	11
						66
26B						
Trash Cans at Gaelic Field	Twice weekly	Empty Trash Cans (2)	2	1	104	52
		Disposal of Trash - Perforated Dumpster Cost	2	2	104	
						52
26B Additional Scope	Weekly	Pick up litter	5,140	0.11	52	5
		Blow hard surfaces to remove loose gravel and plant debris	5,140	0.43	52	22
						28
26C Additional Scope						
TI School	Weekly	Pick up fallen branches	97,660	0.26	52	13
		Pick up litter	97,660	0.26	52	13
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	0	0.00	12	0
		Blow hard surfaces and remove plant debris	97,660	1.03	24	25
	Monthly	Edge and trim	0	0.00	9	0
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	97,660	2.94	6	18
	4 times annual	Prune shrubs/trees	3,000	3	4	13
						82
26D Additional Scope						
TI School	Weekly	Pick up fallen branches	98,175	0.26	52	13
		Pick up litter	98,175	0.26	52	13
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	0	0.00	12	0
		Blow hard surfaces and remove plant debris	98,175	1.03	24	25
	Monthly	Edge and trim	154	0.36	9	3
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	98,175	2.95	6	18
	4 times annual	Prune shrubs/trees	0	0	4	0
						73

Landscape Budget for T/YBI Service Areas

Rubicon Landscape

						Scope - FY 2014-2015	
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	
27							
Field at DPW storage	Weekly	Pick up fallen branches	24,628	0.12	26	3	
Perimeter Only		Pick up litter	24,628	0.12	26	3	
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	15,414	0.65	12	8	
		Blow hard surfaces and remove plant debris	23,214	0.30	12	4	
	Monthly	Edge and trim	544	1.27	9	11	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	23,214	0.85	6	5	
	4 times annual	Prune shrubs/trees					
						34	
27 Additional Scope							
Add Back Previously Fenced Area	Weekly	Pick up fallen branches	61,000	0.17	26	4	
		Pick up litter	61,000	0.17	26	4	
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	61,000	2.28	12	27	
		Blow hard surfaces and remove plant debris	0	0.00	12	0	
						36	
28							
Palm Park	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	53,928	4.37	91	397	
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	53,928	2.84	46	131	
		Pick up fallen branches/turf	53,928	0.14	46	7	
		Pick up litter/turf	53,928	0.14	46	7	
		Pick up fallen branches	21,904	0.06	46	3	
		Pick up litter	21,904	0.06	46	3	
		Blow hard surface; and remove plant debris	21,904	0.22	26	6	
	Bi-weekly	Trim and Edge	3,058	7.15	9	64	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	21,904	0.62	6	4	
	4 times annual	Fertilize lawns	51,928	2	4	9	
		Prune shrubs/trees	768	1	4	3	
						633	
29A							
Star Barracks	Weekly	Pick up fallen branches	543,291	1.43	52	74	
		Pick up litter	543,291	1.43	52	74	
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	303,239	10.68	12	128	
		Blow hard surfaces and remove plant debris	239,052	2.53	26	65	
	Monthly	Edge and trim	2,230	5.40	9	49	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	239,052	7.19	6	43	
	4 times annual	Prune shrubs/trees	121,898	51	4	205	
		Weed ground cover and/or rock slopes					
						639	
29B							
Great Lawn	Twice weekly	Hand water areas without irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	117,971	3.88	91	353	
		Monitor irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	33,324	2.59	9	23	
		Empty 6 trash cans	6	1.5	104	156	
		Disposal of Trash - Prorated Dumpster Cost	6	2		0	
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	157,295	8.28	46	381	
		Pick up fallen branches	315,940	0.42	46	19	
		Pick up litter	315,940	0.83	46	38	
		Blow hard surfaces and remove plant debris	138,445	1.49	26	38	
	Bi-weekly	Trim and Edge	2,832	6.62	9	60	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	135,445	4.16	6	25	
	4 times annual	Fertilize lawns	157,295	7	4	28	
		Prune shrubs/trees	1,500	5	4	19	
		Weed ground cover and/or rock slopes	21,200	7	4	30	
						1,170	
29C							
Palm Avenue and sea wall from south end of Great Lawn to California Ave	Twice weekly	Empty 4 trash cans	4	1.0	104	104	
		Disposal of Trash - Prorated Dumpster Cost	4	2		0	
	Weekly	Pick up fallen branches	71,734	0.90	46	41	
		Pick up litter	71,734	0.90	46	41	
	Bi-weekly	Blow hard surfaces and remove plant debris	50,908	0.54	26	14	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	50,908	1.53	6	9	
	4 times annual	Weed rock slopes along sea wall	20,828	7	4	28	

Landscape Budget for TV/YBI Service Areas

Rubicon Landscape

						Scope - FY 2014-2015
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year
						235
29D						
Fogwatch picnic area	Twice weekly	Empty 5 trash cans	5	1.3	104	130
trash cans		Disposal of Trash - Portable Dumpster Cost	5	2		
						130
30						
Parking next to	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	0	0.00	91	0
Star barracks	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	0	0.00	46	0
		Pick up fallen branches/turf	0	0.00	46	0
		Pick up litter/turf	0	0.00	46	0
		Pick up fallen branches	19,642	0.25	26	7
		Pick up litter	19,642	0.50	26	13
		Blow hard surfaces, and remove plant debris	17,067	1.88	26	49
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	1,575	0.41	12	5
		Trim and Edge				
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	17,067	5.39	6	32
	4 times annual	Fertilize lawns	0	0	2	0
		Prune shrubs/trees	7,049	5	4	21
						127
31						
Park lot next to	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	Lawn is part of California Ave			
Library		Blow hard surfaces (streets only) and remove plant debris	2,680	0.23	26	6
		Pick up fallen branches	16,312	3.00	46	138
		Pick up litter	16,312	0.44	46	20
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	1,590	3.36	6	20
	4 times annual	Prune shrubs/trees	1,431	14	4	57
		Weed plant beds	5,722	19	4	75
						316
32						
Bldg 1	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	15,329	0.50	91	46
		Hand water areas without irrigation during dry season, as needed, up to twice weekly	3,110	0.41	91	38
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	13,329	4.61	46	212
		Pick up fallen branches	16,127	0.43	46	20
		Pick up litter	16,127	0.43	46	20
		Blow hard surfaces and remove plant debris	13,188	1.41	26	37
	Bi-weekly	Trim and Edge	584	1.37	12	16
	Monthly	Prune shrubs/trees	7,088	4	9	39
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	15,188	4.04	6	24
	4 times annual	Fertilize lawns	1,329	1	4	3
		Weed ground cover and/or rock slopes	7,500	3	4	12
						466
33						
Behind bldg 1	Twice weekly	Where irrigation is shown, hand water areas without irrigation during dry season, as needed, up to twice weekly	17,955	0.89	91	81
(Note - California	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	17,955	1.65	46	76
Avenue portion is in Area 37)		Pick up fallen branches/turf	17,955	0.03	46	1
		Pick up litter/turf	17,955	0.03	46	1
		Pick up fallen branches	77,043	0.19	46	9
		Pick up litter	77,043	0.19	46	9
	Bi-weekly	Non-irrigated lawn-Mow bi-weekly in the growing season.	7,101	0.11	12	1
		Blow hard surfaces, and remove plant debris	6,562	0.65	26	17
	Monthly	Edge and trim	535	1.25	12	15
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	6,562	1.85	6	11
	4 times annual	Prune shrubs/trees	10,541	11	4	44
		Weed ground cover and/or rock slopes	6,380	2.94	4	12
						277
34						
Bldg 180	Weekly	Pick up fallen branches	243,120	0.64	52	33
(Note - California		Pick up litter	243,120	0.64	52	33
Avenue portion is in Area 37)	Bi-weekly	Blow hard surfaces and remove plant debris	235,140	2.48	26	64
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	235,140	7.07	6	42
	4 times annual	Prune shrubs/trees	3,958	4	4	17
		Weed ground cover and/or rock slopes	7,980	2.80	4	11

Landscape Budget for TI/YBI Service Areas

Rubicon Landscape

						Scope - FY 2014-2015	
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	
						201	
35							
Hanger 2	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	14,016	0.46	91	42	
(Note - California Avenue)	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	14,016	2.11	46	97	
Avenue portion is in Area 37)		Pick up fallen branches/turf	14,016	0.04	46	2	
		Pick up litter/turf	14,016	0.04	46	2	
		Pick up fallen branches	263,970	0.71	46	33	
		Pick up litter	263,970	0.71	46	33	
		Blow hard surfaces and remove plant debris	263,500	2.77	26	72	
	Bi-weekly	Trim and Edge	450	1.05	12	13	
		Non-irrigated lawn - Mow bi-weekly in the growing season.	15,500	0.44	12	5	
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	263,500	7.92	6	48	
	4 times annually	Fertilize lawns	14,016	1	4	2	
		Prune shrubs/trees	15,400	11	4	44	
		Weed rock slopes along sea wall	3,470	2.27	4	9	
						401	
36							
Hanger 3	Weekly	Pick up fallen branches	263,203	0.70	46	32	
(Note - California Avenue)		Pick up litter	263,203	0.70	46	32	
Avenue portion is in Area 37)	Bi-weekly	Blow hard surfaces and remove plant debris	241,843	2.60	26	68	
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	241,843	7.42	6	45	
	4 times annually	Prune shrubs/trees	300	1	4	5	
		Weed rock slopes along sea wall	21,360	7.14	4	29	
						211	
37							
Parkways along California Avenue	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	6,957	2.70	91	245	
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	6,957	12.32	46	567	
		Pick up fallen branches/turf	167,429	0.52	46	24	
		Pick up litter/turf	167,429	0.52	46	24	
		Blow hard surfaces and remove plant debris	115,472	1.22	26	32	
	Bi-weekly	Trim and Edge	5,526	19.94	12	239	
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	115,472	3.47	6	21	
	4 times annually	Fertilize lawns	6,957	4	4	14	
		Prune shrubs/trees	20,489	22	4	86	
						1,252	
38							
Causeway	Three times weekly	Empty 10 trash cans at tourist stop and Clipper Cove	10	2.5	156	390	
		Disposal of Trash - Prorated Dumpster Cost	10	3	0	0	
		Pick up litter	23,083	0.61	156	95	
	Twice Weekly	Blow hard surfaces and remove plant debris	142,808	1.50	26	39	
		Monitor irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	59,325	4.80	9	43	
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	59,325	8.92	46	410	
		Pick up fallen branches	23,083	0.61	46	26	
	Bi-weekly	Trim and Edge	1,138	2.66	12	32	
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	142,808	4.29	6	26	
	4 times annually	Fertilize lawns	59,325	3	4	10	
		Prune shrubs/trees	2,015	2	4	8	
		Weed ground cover and/or rock slopes	23,950	10.16	4	41	
	3 times annually	Plant annuals/plants for color under TI entry sign and circle bed in Causeway	30	30	2	60	
		Furnish 50 Flats of Flowers, each color change	50	1,800	2		
		Detail flower beds	810	1.6	46	75	
						1,257	
38 A							
Clipper Cove	Weekly	Pick up fallen branches	64,885	0.17	26	4	
		Pick up litter	64,885	0.17	26	4	
		Blow hard surfaces and remove plant debris	21,978	0.23	26	6	
	Twice Weekly	Empty 6 trash cans along path	6	1.5	104	166	
		Disposal of Trash - Prorated Dumpster Cost	6	2			
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	21,978	0.66	6	4	
	4 times annually	Weed ground cover and/or rock slopes			0	0	
		Prune trees/shrubs	17,271	18	4	73	
						248	

Rubicon Landscape

						Scope - FY 2014-2015	
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	
39							
Perimeter Path	Weekly	Pick up fallen branches	17,000	0.45	26	12	
		Pick up litter	17,000	0.45	26	12	
		Blow hard surfaces and remove plant debris	6,000	0.57	26	15	
	Twice weekly	Empty 3 trash cans along path (Does not include those not accessible)	3	0.8	104	78	
		Disposal of Trash - Private Dumpster Cost	3	2			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,000	1.82	6	10	
	4 times annual	Weed ground cover and/or rock slopes	17,000	41.05	4	164	
		Prune shrubs/trees					
						290	
40							
Macalla Lawn	Weekly	Pick up fallen branches	7,188	0.37	26	10	
		Pick up litter	7,188	0.19	26	5	
	Bi-weekly	Blow hard surfaces and remove plant debris			52	0	
		Non-irrigated lawn-mow bi-weekly during growing season, as needed in the dormant season.	7,188	10.70	12	128	
	Monthly	Edge and trim				0	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.			4	0	
	4 times annual	Prune shrubs/trees	3,559	4	4	15	
						158	
41							
Nimitz Road	Weekly	Pick up fallen branches	17,875	0.08	52	4	
		Pick up litter	17,875	0.04	52	2	
	Bi-weekly	Blow hard surfaces and remove plant debris	16,875	0.17	26	4	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	16,875	0.48	6	3	
	4 times annual	Weed ground cover and/or rock slopes for fire break	17,050	7	4	27	
		Prune trees/shrub	17,050	20	4	80	
						121	
42							
Macalla Court	Weekly	Pick up fallen branches	2,000	0.05	52	2	
		Pick up litter	2,000	0.02	52	1	
	Bi-weekly	Blow hard surfaces and remove plant debris	3,000	0.09	26	2	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,000	0.27	6	2	
	4 times annual	Weed ground cover and/or rock slopes for fire break	17,400	5	4	20	
		Prune shrubs/trees	17,400	15	4	61	
						89	
43							
Access Road	Weekly	Pick up fallen branches	17,000	0.05	12	1	
		Pick up litter	10,000	0.03	12	0	
	Bi-weekly	Blow hard surfaces and remove plant debris	10,000	0.11	12	1	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	10,000	0.30	6	2	
	4 times annual	Weed ground cover and/or rock slopes for fire break	7,500	10	4	39	
		Prune shrubs/trees	7,500	8	4	32	
						75	
44							
Macalla Road	Weekly	Pick up fallen branches	77,610	0.41	52	21	
		Pick up litter	77,610	0.20	52	11	
	Bi-weekly	Blow hard surfaces and remove plant debris	77,610	0.82	26	21	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	77,610	2.33	6	14	
	4 times annual	Weed ground cover and/or rock slopes for fire break	17,155	23	4	90	
		Prune shrubs/trees	17,155	18	4	72	
						230	
45							
Yerba Buena Road	Weekly	Pick up fallen branches	59,420	0.30	52	15	
		Pick up litter	59,420	0.15	52	8	
	Bi-weekly	Blow hard surfaces and remove plant debris	59,420	0.69	26	15	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	59,420	1.70	6	10	
	4 times annual	Weed ground cover and/or rock slopes for fire break	14,105	19	4	74	
		Prune shrubs/trees	14,105	15	4	59	
						182	
46							
Forest Road	Weekly	Pick up fallen branches	33,100	0.17	26	5	
		Pick up litter	33,100	0.09	26	2	
	Bi-weekly	Blow hard surfaces and remove plant debris	33,100	0.35	12	4	
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	33,100	1.00	6	6	
	4 times annual	Weed ground cover and/or rock slopes for fire break	6,208	8	4	33	
		Prune shrubs/trees	6,208	7	4	28	
						76	
47							

landscape Budget for TI/YBI Service Areas

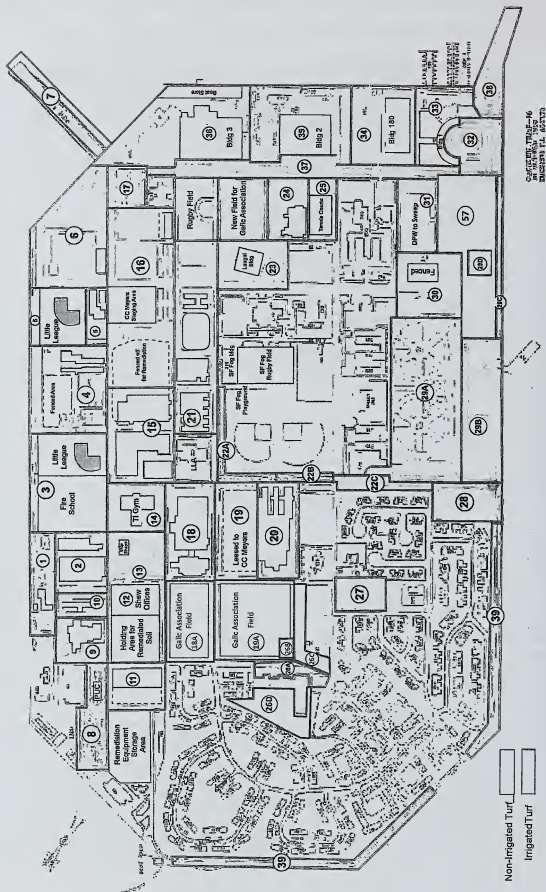
Rubicon Landscape

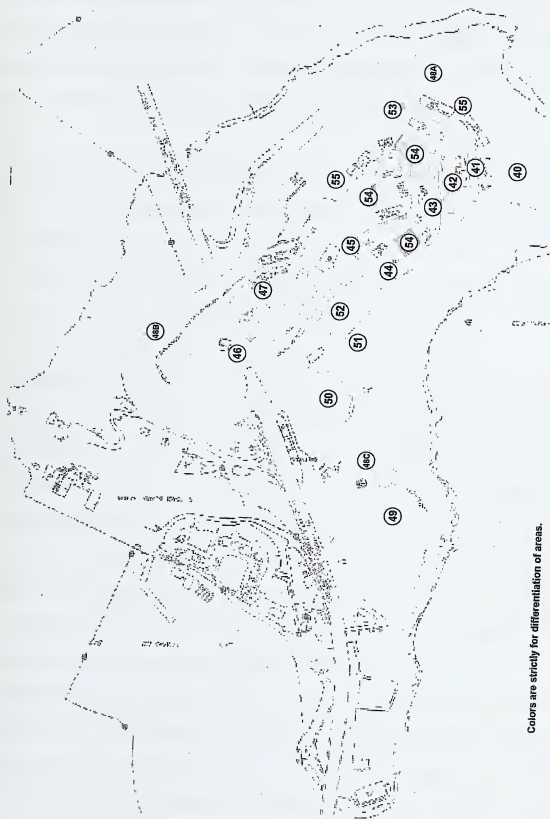
						Scope - FY 2014-2015			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year			
Signal Road	Weekly	Pick up fallen branches	5,680	0.05	26	2			
		Pick up litter	5,680	0.04	26	1			
	Bi-weekly	Blow hard surfaces and remove plant debris	5,680	0.17	26	4			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,680	0.47	6	3			
	4 times annual	Weed ground cover and/or rock slopes for fire break	5,680	4	4	15			
		Prune shrubs/trees	5,680	3	4	12			
						38			
48A TI Road	Weekly	Pick up fallen branches	5,540	0.24	52	12			
		Pick up litter	5,540	0.12	26	3			
	Bi-weekly	Blow hard surfaces and remove plant debris	5,540	0.48	12	6			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,540	1.37	6	8			
	4 times annual	Weed ground cover and/or rock slopes for fire break	5,540	10	4	40			
		Prune shrubs/trees	5,540	8	4	32			
						101			
48B TI Road and Hillcrest Road	Weekly	Pick up fallen branches	6,410	0.34	52	18			
		Pick up litter	6,410	0.17	26	4			
	Bi-weekly	Blow hard surfaces and remove plant debris	6,410	0.68	12	8			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	6,410	1.94	6	12			
	4 times annual	Weed ground cover and/or rock slopes for fire break	6,410	11	4	57			
		Prune shrubs/trees	6,410	14	4	45			
						143			
48C Northgate Drive	Weekly	Pick up fallen branches	5,620	0.29	52	15			
		Pick up litter	5,620	0.15	26	4			
	Bi-weekly	Blow hard surfaces and remove plant debris	5,620	0.59	12	7			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	5,620	1.67	6	10			
	4 times annual	Weed ground cover and/or rock slopes for fire break	5,620	12	4	49			
		Prune shrubs/trees	5,620	10	4	59			
						124			
49 Quarters 1-7	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	27,444	0.90	91	82			
	Weekly	Pick up fallen branches	37,174	0.21	46	9			
		Pick up litter	37,174	0.10	46	5			
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	27,444	4.13	46	190			
		Pick up fallen branches/turf	27,444	0.07	46	3			
		Pick up litter/turf	27,444	0.07	46	3			
	Bi-weekly	Non-irrigated lawn - Mow bi-weekly in the growing season.				0			
		Trim and Edge	720	1.63	9	15			
		Blow hard surfaces and remove plant debris	34,974	0.37	26	10			
	Monthly	Prune shrubs/trees	4,117	4	9	39			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	34,974	1.05	6	6			
	4 times annual	Weed ground cover and/or rock slopes for fire break	34,974	1	4	6			
						374			
50 Quarters 240	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	16,985		91	0			
	Weekly	Pick up fallen branches	13,102		46	0			
		Pick up litter	13,102		46	0			
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	16,985		46	0			
		Pick up fallen branches/turf	16,985		46	0			
		Pick up litter/turf	16,985		46	0			
	Bi-weekly	Non-irrigated lawn - Mow bi-weekly in the growing season.				0			
		Blow hard surfaces and remove plant debris	13,102		26	0			
		Trim and Edge	263		9	0			
	Monthly	Prune shrubs/trees	2,848		9	0			
	6 times annual	Spray and remove weeds mechanically or by hand from hard surfaces.	13,102		6	0			
		Weed ground cover and/or rock slopes				0			
51 Quarters 62	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	1,874	0.06	0	0			
		Where irrigation is shown, hand water areas without irrigation during dry season, as needed, up to twice weekly	4,373	0.35	0	0			
	Weekly	Pick up fallen branches	11,335	0.06	26	2			

Landscape Budget for TI/YBI Service Areas

Rubicon Landscape

[illegible]





Colors are strictly for differentiation of areas.

RESOLUTION NO.

[Rubicon Professional Services Agreement]

Resolution Authorizing the Director of Island Operations to Execute a Month to Month Professional Services Agreement with Rubicon Enterprises, Inc., to Provide Landscape Services Commencing on July 1, 2014 and Ending June 30, 2015 for an amount not to exceed \$61,540.83 per month and \$738,490 for 12 months

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of the Authority as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12; and such rescission does not affect Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the

1 portions of Treasure Island subject to the Tidelands Trust, or any of the other powers or
2 authority; and,

3 **WHEREAS**, The Authority has negotiated and endorsed a proposed Base Closure
4 Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless
5 Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"),
6 a consortium of California nonprofit corporations organized to utilize the resources of the Base
7 to help fill gaps in the continuum of care for homeless persons and families, pursuant to the
8 Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

9 **WHEREAS**, In 2011, the Authority and TIHDI executed the Amended and Restated
10 Base Closure Homeless Assistance Agreement ("Amended Homeless Assistance
11 Agreement") and approved by the Board of Supervisors in Resolution no. 243-11; and,

12 **WHEREAS**, Within the Amended Homeless Assistance Agreement is the Jobs and
13 Equal Opportunity Program ("JEOP") which describes job training and employment
14 opportunities for TIHDI's member organizations for formerly homeless and economically
15 disadvantaged San Franciscans; and,

16 **WHEREAS**, The Authority wishes to support TIHDI pursuant to the Base Closure
17 Community Redevelopment, Homeless Assistance Act of 1994, and Amended Homeless
18 Assistance Agreement; and,

19 **WHEREAS**, Rubicon Enterprises, Inc. currently provides landscape maintenance
20 services to the Authority and the Authority has negotiated with Rubicon Enterprises, Inc., a
21 California non-profit corporation ("Rubicon"), to reach agreement on the terms of a new
22 Professional Services Agreement (the "Agreement") in an amount not to exceed Sixty-One
23 Thousand Five Hundred Forty Dollars and Eighty-Three Cents (\$61,540.83) per month and
24 Seven Hundred Thirty Eight Thousand Four Hundred and Ninety Dollars (\$738,490) for 12
25

1 months, which (i) describes the scope of work for the services shown in Appendix A of the
2 Agreement, and (ii) establishes the term of the Agreement for a month-to-month period
3 commencing on July 1, 2014; and,

4 **RESOLVED**, That the Authority hereby finds that Rubicon's mission, purpose, and
5 program is consistent with the Homeless Assistance Agreement; and

6 **FURTHER RESOLVED**, That the Authority hereby authorizes the Director of Island
7 Operations to execute the Agreement with Rubicon Enterprises, Inc., effective July 1, 2014,
8 for a month to month term in an amount not to exceed \$738,490 in substantially the form
9 attached hereto as Exhibit A; and, be it

10 **FURTHER RESOLVED**, That the Board of Directors hereby authorizes the Director of
11 Island Operations or her designee to enter into any additions, amendments or other
12 modifications to the Agreement that the Director of Island Operations or her designee
13 determines in consultation with the City Attorney are in the best interests of the Authority, that
14 do not materially increase the obligations or liabilities of the Authority, that do not materially
15 reduce the rights of the Authority, and are necessary or advisable to complete the preparation
16 and approval of the Agreement, such determination to be conclusively evidenced by the
17 execution and delivery by the Director of Island Operations or her designee of the documents
18 and any amendments thereto.
19
20
21
22
23
24
25

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 11, 2014.

Jean-Paul Samaha, Secretary

AGENDA ITEM 6 (g)
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 11, 2014

Subject: Resolution Authorizing the Director of Island Operations to Execute a Grant Agreement with the Boys and Girls Clubs of San Francisco, a California Non-Profit Organization (*Action Item*)

Staff: Mirian Saez, Director of Island Operations

Phone: (415) 274-0660

SUMMARY OF PROPOSED ACTION

This item seeks approval to execute a Grant Agreement ("Agreement") with the Boys and Girls Clubs of San Francisco ("BGCSF") a California Non-Profit Organization, for the purpose of funding BGCSF's Camp Mendocino tuition for all on-Island youth residents for summer of 2014.

BACKGROUND

The Boys and Girls Clubs of San Francisco ("BGCSF") is a non-profit organization dedicated to the serving the youth and teens of San Francisco. BGCSF has previously provided after-school and summer programming for the youth and teens of Treasure and Yerba Buena Islands, including operation of an on-Island Clubhouse and facilitating on-Island youth's attendance at BGCSF's Camp Mendocino. In prior years, youth residents attendance at Camp Mendocino was funded through TIDA's annual Professional Services Contract with BGCSF.

Camp Mendocino, located in a 2,000-acre beautiful redwood forest three and half hours north of San Francisco, is an outdoor education and environmental awareness program focused on the character and leadership development. For over 80 years, Boys & Girls Clubs of San Francisco has been providing this creative, fun and supportive camping experience for youth ages eight to 18. The stated mission of Camp Mendocino is: "To enable and inspire all young people, but especially those from disadvantaged circumstances to realize their full potential as productive, responsible and caring citizens."

The Island community has again identified on-Island youth's attendance at Camp Mendocino as an on-Island programming priority for Summer 2014, and Project Office staff desires to again provide this assistance and assure that all on-Island youth have the opportunity to participate at Camp Mendocino this summer if they so wish.

PROPOSED TERMS OF AGREEMENT

Term: The Agreement will commence upon Authority Board approval, and shall terminate no later than September 30, 2014.

Amount of Funding: The total amount of the Agreement shall not exceed \$9,900. TIDA shall pay this amount to BGCSF unless the number of on-island children attending Camp

Mendocino is lower than 14 (at approximately \$707 per child). If more on-island children enroll, BGCSF will accept such children and absorb the additional cost without additional payment by TIDA.

Eligible Expenses: Eligible Expenses are limited to reimbursement for Camp Mendocino tuition for on-Island children.

Funding Mechanism: BGCSF shall submit a Funding Request(s), including appropriate backup documentation, to TIDA in substantially the form found in Appendix C of the Agreement. The Funding Request(s) will be reviewed by Project Office staff and approved for payment by the Director of Island Operations once deemed consistent with the Eligible Expenses allowable under the Agreement.

IMPACT ON AUTHORITY BUDGET

Funding for this anticipated expense has been pre-identified in the Authority's FY13-14 Budget and is available for disbursement.

RECOMMENDATION

Staff recommends approval of the item.

EXHIBITS

- A** Grant funding proposal from Boys and Girls Clubs of San Francisco for Camp Mendocino tuition for on-Island youth.
- B** Grant Agreement between the Authority and Boys and Girls Clubs of San Francisco.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations



BOYS & GIRLS CLUBS
OF SAN FRANCISCO

MAY 27 2014
MS. FILE

May 22, 2014

Mirian Saez, Director of Island Operations
Treasure Island Development Authority
One Avenue of the Palms, 2nd Floor, Treasure Island
San Francisco, CA 94130


Dear Mirian,

Boys & Girls Clubs of San Francisco appreciates your continued willingness to help send Treasure Island youth to Camp Mendocino. For 83 years, Camp Mendocino has been offering kids an outstanding experience in nature. Campers stay in cabins in a redwood forest, hike, canoe, swim, have archery instruction, ride horses, create arts & crafts, play games, try drama, go through a low and high ropes course, and have the opportunity to camp outside under the stars. Overall, Camp is an extremely positive and nurturing environment and an exciting respite from city life.

We are requesting \$10,000 to allow us to provide youth living on Treasure Island with a 10-day session at Camp Mendocino. The full cost to send a child to camp is \$675 per camper. Our price to families will be just \$30 (as with all Clubhouses in San Francisco, we require families to participate, albeit modestly, in the cost of Camp). With your support and that of our Board and other funds, the projection is that 25 Treasure Island kids will attend Camp this summer.

Thank you for your consideration of this request and again thank you for your continued support!

Sincerely,



Joni Lachman
VP of Institutional Giving

cc: Rebecca Randall, Director, Camp Mendocino

CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY

GRANT AGREEMENT

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

and

BOYS AND GIRLS CLUBS OF SAN FRANCISCO

THIS GRANT AGREEMENT (this "Agreement") is made this June 11, 2014, in the City and County of San Francisco, State of California, by and between the BOYS AND GIRLS CLUBS OF SAN FRANCISCO, a California Non-Profit Corporation ("Grantee") and the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation, and the City and County of San Francisco ("Authority").

WITNESSETH:

WHEREAS, Grantee has submitted to the Authority the Application Documents (as hereinafter defined) seeking a grant for the purpose of funding the matters set forth in the Grant Plan (as hereinafter defined); and summarized briefly as follows:

Camp Mendocino tuition for youth residents of Treasure and Yerba Buena Islands; and

WHEREAS, Grantee warrants it is a non-profit corporation dedicated to serving the youth of San Francisco; and

WHEREAS, Authority desires to provide such a grant on the terms and conditions set forth herein:

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Specific Terms. Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

(a) "**ADA**" shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

- (b) **"Authority"** shall mean Treasure Island Development Authority.
- (c) **"Application Documents"** shall mean collectively: (i) the grant application submitted by Grantee, including all exhibits, schedules, appendices and attachments thereto; (ii) all documents, correspondence and other written materials submitted in respect of such grant application; and (iii) all amendments, modifications or supplements to any of the foregoing approved in writing by City.
- (d) **"Budget"** shall mean either the budget attached hereto as part of Appendix B, if any, or the budget included in the Application Documents, to the extent expressly approved by the Agency.
- (e) **"Charter"** shall mean the Charter of City.
- (f) **"Controller"** shall mean the Controller of City.
- (g) **"Eligible Expenses"** shall have the meaning set forth in Appendix A.
- (h) **"Event of Default"** shall have the meaning set forth in Section 11.1.
- (i) **"Fiscal Quarter"** shall mean each period of three (3) calendar months commencing on July 1, October 1, January 1 and April 1, respectively.
- (j) **"Fiscal Year"** shall mean each period of twelve (12) calendar months commencing on July 1 and ending on June 30 during all or any portion of which this Agreement is in effect.
- (k) **"Funding Request"** shall have the meaning set forth in Section 5.3(a).
- (l) **"Grant Funds"** shall mean any and all funds allocated or disbursed to Grantee under this Agreement.
- (m) **"Grant Plan"** shall have the meaning set forth in Appendix B
- or
- shall mean the plans, performances, events, exhibitions, acquisitions or other activities or matter described in the Application documents; provided, however, that in the event of any inconsistency in such description, the most recent of the conflicting documents shall govern.
- (n) **"CMD"** shall mean the The City and County of San Francisco's Contract Monitoring Division.
- (o) **"Indemnified Parties"** shall mean: (i) City, including the Agency and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.
- (p) **"Losses"** shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, fees, expenses and costs of whatsoever kind and nature (including legal fees and expenses and costs of investigation, of prosecuting or defending any Loss described above) whether or not such Loss be founded or unfounded, of whatsoever kind and nature.

(q) **"Publication"** shall mean any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, web page, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Grant Plan or is paid for in whole or in part using Grant Funds.

1.2 Additional Terms. The terms "as directed," "as required" or "as permitted" and similar terms shall refer to the direction, requirement, or permission of the Agency. The terms "sufficient," "necessary" or "proper" and similar terms shall mean sufficient, necessary or proper in the sole judgment of the Agency. The terms "approval," "acceptable" or "satisfactory" or similar terms shall mean approved by, or acceptable to, or satisfactory to the Agency. The terms "include," "included" or "including" and similar terms shall be deemed to be followed by the words "without limitation". The use of the term "subcontractor," "successor" or "assign" herein refers only to a subcontractor ("subgrantee"), successor or assign expressly permitted under Article 13.

1.3 References to this Agreement. References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as "hereunder," herein or "hereto" refer to this Agreement as a whole.

ARTICLE 2 APPROPRIATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON CITY'S OBLIGATIONS

2.1 Risk of Non-Appropriation of Grant Funds. This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Grantee acknowledges that City budget decisions are subject to the discretion of its Mayor and Board of Supervisors. Grantee assumes all risk of possible non-appropriation or non-certification of funds, and such assumption is part of the consideration for this Agreement.

2.2 Certification of Controller; Guaranteed Maximum Costs. No funds shall be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code: City's obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies that are provided by Grantee which are beyond the scope of the services, materials, equipment and supplies agreed upon herein and which were not approved by a written amendment to this Agreement having been lawfully executed by City. City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement which would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding which exceeds the maximum provided in this Agreement which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained. The Controller is not

authorized to make payments on any agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

2.3 Automatic Termination for Nonappropriation of Funds. This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of any Fiscal Year if funds are not appropriated for the next succeeding Fiscal Year. If funds are appropriated for a portion of any Fiscal Year, this Agreement shall terminate, without penalty, liability or expense of any kind to City, at the end of such portion of the Fiscal Year.

2.4 SUPERSEURE OF CONFLICTING PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

ARTICLE 3 TERM

3.1 Effective Date. This Agreement shall become effective when the Controller has certified to the availability of funds as set forth in Section 2.2 and the Authority has notified Grantee thereof in writing.

3.2 Duration of Term. The term of this Agreement shall commence on the later of (a) June 11, 2014 and (b) the effective date specified in Section 3.1. Such term shall end at 11:59 p.m. San Francisco time on September 30, 2014.

ARTICLE 4 IMPLEMENTATION OF GRANT PLAN

4.1 Implementation of Grant Plan; Cooperation with Monitoring. Grantee shall, in good faith and with diligence, implement the Grant Plan on the terms and conditions set forth in this Agreement and the Application Documents. Grantee shall not materially change the nature or scope of the Grant Plan during the term of this Agreement without the prior written consent of City. Grantee shall promptly comply with all standards, specifications and formats of City, as they may from time to time exist, related to evaluation, planning and monitoring of the Grant Plan and shall cooperate in good faith with City in any evaluation, planning or monitoring activities conducted or authorized by City.

4.2 Grantee's Personnel. The Grant Plan shall be implemented only by competent personnel under the direction and supervision of Grantee.

4.3 Grantee's Board of Directors. Grantee shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in Grantee's bylaws and other governing documents and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Grantee's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Grantee of its obligations under this Agreement.

ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS

5.1 Maximum Amount of Grant Funds. In no event shall the amount of Grant Funds disbursed hereunder exceed Nine Thousand Nine Hundred Dollars (\$9,900).

5.2 Use of Grant Funds. Grantee shall use the Grant Funds only for Eligible Expenses as set forth in Appendix A and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Budget, if any, and shall obtain the prior approval of City before transferring expenditures from one line item to another within the Budget.

5.3 Disbursement Procedures. Grant Funds shall be disbursed to Grantee as follows:

(a) Grantee shall submit to the Agency, in the manner specified for notices pursuant to Article 15, a document (a "Funding Request") substantially in the form attached as Appendix C. Any Funding Request that is submitted and is not approved by the Agency shall be returned by the Agency to Grantee with a brief statement of the reason for the Agency's rejection of such Funding Request. If any such rejection relates only to a portion of Eligible Expenses itemized in such Funding Request, the Agency shall have no obligation to disburse any Grant Funds for any other Eligible Expenses itemized in such Funding Request unless and until Grantee submits a Funding Request that is in all respects acceptable to the Agency.

(b) The Agency shall make all disbursements of Grant Funds pursuant to this Section by check payable to Grantee, sent via U.S. mail in accordance with Article 15, unless the Agency otherwise agrees in writing, in its sole discretion. The Agency shall make disbursements of Grant Funds no more than once every fourteen (14) days during the Term of the Grant Agreement.

5.4 Disallowance. With respect to Grant Funds, if any, which are ultimately provided by the state or federal government, Grantee agrees that if Grantee claims or receives payment from City for an Eligible Expense, payment or reimbursement of which is later disallowed by the state or federal government, Grantee shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to Grantee hereunder or under any other Agreement. Any such offset with respect to a portion of the disallowed amount shall not release Grantee from Grantee's obligation hereunder to refund the remainder of the disallowed amount.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports. Grantee shall provide, in a prompt and timely manner, financial, operational and other reports, as requested by the Agency, in form and substance satisfactory to the Agency. Such reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages, to the maximum extent possible.

6.2 Organizational Documents. If requested by City, on or before the date of this Agreement, Grantee shall provide to City the names of its current officers and directors and certified copies of its Articles of Incorporation and Bylaws as well as satisfactory evidence of the valid nonprofit status described in Section 8.1.

6.3 Notification of Defaults or Changes in Circumstances. Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and

(b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.

6.4 Financial Statements. Within sixty (60) days following the end of each Fiscal Year, Grantee shall deliver to City an unaudited balance sheet and the related statement of income and cash flows for such Fiscal Year, all in reasonable detail acceptable to City, certified by an appropriate financial officer of Grantee as accurately presenting the financial position of Grantee. If requested by City, Grantee shall also deliver to City, no later than one hundred twenty (120) days following the end of any Fiscal Year, an audited balance sheet and the related statement of income and cash flows for such Fiscal Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee.

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of the Grant Plan and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Eligible Expenses incurred and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later.

6.6 Inspection and Audit. Grantee shall make available to City, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit City, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of City pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

6.7 Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

ARTICLE 7 TAXES

7.1 Grantee to Pay All Taxes. Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Plan, the Grant Funds or any of the activities contemplated by this Agreement.

7.2 Use of City Real Property. If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

(b) Grantee, on behalf of itself and any subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.

(c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.

7.3. Earned Income Credit (EIC) Forms. Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Grantee shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Grantee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Grantee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Grantee of the terms of this Agreement. If, within thirty (30) days after Grantee receives written notice of such a breach, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Grantee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Grantee shall require the subgrantee to comply, as to the subgrantee's Eligible Employees, with each of the terms of this section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

8.1 Organization; Authorization. Grantee is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed. Grantee has established and maintains valid nonprofit status under Section 501(c) (3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such Section. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

8.2 Location. Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15. All aspects of the Grant Plan will be implemented at the geographic location(s), if any, specified in the Grant Plan.

8.3 No Misstatements. No document furnished or to be furnished by Grantee to City or City in connection with the Application Documents, this Agreement, any Funding Request or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

8.4 Conflict of Interest.

(a) Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

8.5 No Other Agreements with City. Except as expressly itemized in Appendix D, neither Grantee nor any of Grantee's affiliates, officers, directors or employees has any interest, however remote, in any other agreement with City including any commission, department or other subdivision thereof).

8.6 Subcontracts. Except as may be permitted under Section 13.3, Grantee has not entered into any agreement, arrangement or understanding with any other person or entity pursuant to which such person or entity will implement or assist in implementing all or any portion of the Grant Plan

8.7 Eligibility to Receive Federal Funds. By executing this Agreement, Grantee certifies that Grantee is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Grantee acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

9.1 Indemnification. Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct of the Indemnified Party. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

9.2 Duty to Defend; Notice of Loss. Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

9.3 Incidental and Consequential Damages. Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS

AGREEMENT, THE GRANT FUNDS, THE GRANT PLAN OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

10.1 Types and Amounts of Coverage. Without limiting Grantee's liability pursuant to Article 9, Grantee shall maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than one million dollars (\$1,000,000) each accident, injury, or illness.

(b) Commercial General Liability Insurance with limits not less than one million dollars (\$1,000,000) each occurrence, \$2,000,000 aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations..

(c) Commercial Automobile Liability Insurance with limits not less than one million dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

10.2 Additional Requirements for General and Automobile Coverage. Commercial General Liability and Commercial Automobile Liability insurance policies shall:

(a) Name as additional insured the Treasure Island Development Authority, the City and County of San Francisco and their officers, agents, directors and employees.

(b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

10.3 Additional Requirements for All Policies. All policies shall be endorsed to provide at least thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15.

10.4 Required Post-Expiration Coverage. Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs. Should any of the insurance required hereunder be provided under a form of coverage that includes a

general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

10.6 Evidence of Insurance. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City's request. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

10.7 Effect of Approval. Approval of any insurance by City shall not relieve or decrease the liability of Grantee hereunder.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, in any Funding Request or in any other document submitted to City under this Agreement is found by City to be false or misleading.

(b) **Failure to Provide Insurance.** Grantee fails to provide or maintain in effect any policy of insurance required in Article 10.

(c) **Failure to Comply with Applicable Laws.** Grantee fails to perform or breaches any of the terms or provisions of Article 16.

(d) **Failure to Perform Other Covenants.** Grantee fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due.

(e) **Cross Default.** Grantee defaults under any other agreement between Grantee and City (after expiration of any grace period expressly stated in such agreement).

(f) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.

(g) **Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

11.2 Remedies Upon Event of Default. Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee and, on the date specified in such notice, this Agreement shall terminate and all rights of Grantee hereunder shall be extinguished. In the event of such termination, Grantee will be paid for Eligible Expenses in any Funding Request that was submitted and approved by City prior to the date of termination specified in such notice.

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder, regardless of whether Grantee has previously submitted a Funding Request or whether City has approved the disbursement of the Grant Funds requested in any Funding Request. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default shall be disbursed without interest.

(c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

11.3 Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

ARTICLE 12

DISCLOSURE OF INFORMATION AND DOCUMENTS

12.1 Proprietary or Confidential Information of City. Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.

12.2 Sunshine Ordinance. Grantee acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Grantee that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.

12.3 Financial Projections. Pursuant to San Francisco Administrative Code Section 67.32, Grantee has on or before the date hereof provided to City financial projections, including profit and loss figures, for the Project. For the term of the Agreement, Grantee shall within 30 days after the end of Grantee's fiscal year end provide to City annual financial statements for the Project certified by the Grantee as complete and accurate and audited by an independent accounting firm. The Grantee acknowledges and agrees that the financial projections and audited financial statements shall be public records subject to disclosure upon request.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

13.1 No Assignment by Grantee. Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement.

13.2 Agreement Made in Violation of this Article. Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.

13.3 Subcontracting. If Appendix E lists any permitted subgrantees, then notwithstanding any other provision of this Agreement to the contrary, Grantee shall have the right to subcontract on the terms set forth in this Section. If Appendix E is blank or specifies that there are no permitted subgrantees, then Grantee shall have no rights under this Section.

(a) **Limitations.** In no event shall Grantee subcontract or delegate the whole of the Grant Plan. Grantee may subcontract with any of the permitted subgrantees set forth on Appendix E without the prior consent of City; provided, however, that Grantee shall not thereby be relieved from any liability or obligation under this Agreement and, as between City and Grantee, Grantee shall be responsible for the acts, defaults and omissions of any subgrantee or its agents or employees as fully as if they were the acts, defaults or omissions of Grantee. Grantee shall ensure that its subgrantees comply with all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. All references herein to duties and obligations of Grantee shall be deemed to pertain also to all subgrantees to the extent applicable. A default by any subgrantee shall be deemed to be an Event of Default hereunder. Nothing contained in this Agreement shall create any contractual relationship between any subgrantee and City.

(b) **Terms of Subcontract.** Each subcontract shall be in form and substance acceptable to City and shall expressly provide that it may be assigned to City without the prior consent of the subgrantee. In

addition, each subcontract shall incorporate all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. Without limiting the scope of the foregoing, each subcontract shall provide City, with respect to the subgrantee, the audit and inspection rights set forth in Section 6.6. Upon the request of City, Grantee shall promptly furnish to City true and correct copies of each subcontract permitted hereunder.

13.4 Grantee Retains Responsibility. Grantee shall in all events remain liable for the performance by any assignee or subgrantee of all of the covenants terms and conditions contained in this Agreement.

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

14.1 Nature of Agreement. Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee implements the Grant Plan and uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

14.2 Direction. Any terms in this Agreement referring to direction or instruction from the Agency or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.

14.3 Consequences of Recharacterization.

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

(b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

15.1 Requirements. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be

addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered or (c) sent via facsimile (if a facsimile number is provided below):

If to the Agency or City:

Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA 94130
Attn: Mirian Saez
Director of Island Operations

Fax No.: 415-274-0299
Email: Mirian.Saez@sfgov.org

If to Grantee:

Boys and Girls Clubs of San Francisco
55 Hawthorne Street, Suite 600
San Francisco, CA 94105
Attn: Maxine Wilson, VP of Operations
Email: mwilson@kidsclub.org

15.2 Effective Date. All communications sent in accordance with Section 15.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent via hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; or (c) if sent via facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice.

15.3 Change of Address. From time to time any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

ARTICLE 16 COMPLIANCE

16.1 Left Blank By Agreement of the Parties

16.2 Nondiscrimination; Penalties.

(a) **Grantee Shall Not Discriminate.** In the performance of this Agreement, Grantee agrees not to discriminate against any employee, City and County employee working with such grantee or subgrantee, applicant for employment with such grantee or subgrantee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) **Subcontracts.** Grantee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all

subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** Grantee does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of fifty dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Grantee and/or deducted from any payments due Grantee.

16.3 MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this section

16.4 Tropical Hardwood and Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

16.5 Drug-Free Workplace Policy. Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

16.6 Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages

assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with all or any portion of the Grant Plan and shall comply at all times with the provisions of the ADA.

16.8. Requiring Minimum Compensation for Employees.

(a) Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

(b) The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

(c) Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(d) Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

(e) The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

(f) Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(g) Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(h) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(i) If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

16.9 Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

16.10 Left Blank by Agreement of the Parties

16.11 Prohibition on Political Activity with City Funds. In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any

Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this section. In the event Grantee violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

16.12 Preservative-treated Wood Containing Arsenic. Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16.13 Supervision of Minors. Grantee, and any subgrantees, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Grantee, or any subgrantee, in which he or she would have supervisory or disciplinary power over a minor under his or her care. If Grantee, or any subgrantee, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Grantee shall not hire, and shall prevent its subgrantees from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3). If Grantee, or any of its subgrantees, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Grantee shall comply, and cause its subgrantees to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Grantee shall provide, or cause its subgrantees to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian. Grantee shall expressly require any of its subgrantees with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subgrantee. Grantee acknowledges and agrees that failure by Grantee or any of its subgrantees to comply with any provision of this section of the Agreement shall constitute an Event of Default.

16.14 Protection of Private Information. Grantee has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Grantee agrees that any failure of Grantee to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an

event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against the Grantee pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Grantee.

16.15 Public Access to Meetings and Records. If the Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

16.16 Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Grantee to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

16.17 Food Service Waste Reduction Requirements. Effective June 1, 2007, Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor

agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee's failure to comply with this provision.

16.18 Left Blank by Agreement of the Parties

16.19 Compliance with Other Laws. Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.

ARTICLE 17 MISCELLANEOUS

17.1 No Waiver. No waiver by the Agency or City of any default or breach of this Agreement shall be implied from any failure by the Agency or City to take action on account of such default if such default persists or is repeated. No express waiver by the Agency or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or the Agency of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the Agency or City of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

17.2 Modification. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

17.3 Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the director or president, as the case may be, of the Agency who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

17.4 Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

17.5 Headings. All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

17.6 Entire Agreement. This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

- Appendix A, Definition of Eligible Expenses
- Appendix B, Definition of Grant Plan
- Appendix C, Form of Funding Request
- Appendix D, Interests in Other City Contracts
- Appendix E, Permitted Subgrantees

17.7 Certified Resolution of Signatory Authority. Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.

17.8 Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

17.9 Successors; No Third-Party Beneficiaries. Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

17.10 Survival of Terms. The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

Section 6.4	Financial Statements.
Section 6.5	Books and Records.
Section 6.6	Inspection and Audit.
Section 6.7	Submitting False Claims; Monetary Penalties
Section 6.8	Ownership of Results.
Article 7	Taxes
Article 9	Indemnification and General Liability
Section 10.4	Required Post-Expiration Coverage.
Article 12	Disclosure of Information and Documents
Section 13.4	Grantee Retains Responsibility.
Section 14.3	Consequences of Recharacterization.
This Article 17	Miscellaneous

17.11 Further Assurances. From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

17.13 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

CITY

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

By: _____
MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

Approved as to Form:

Dennis J. Herrera
City Attorney

By: _____
Alicia Cabrera
Deputy City Attorney

GRANTEE:

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 16.3, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

**BOYS AND GIRLS CLUBS OF SAN
FRANCISCO**

By: _____

Print Name: _____

Title: _____

Federal Tax ID #: _____

City Vendor Number: _____

Appendix A--Definition of Eligible Expenses

The term "Eligible Expenses" shall mean expenses incurred and paid by Grantee during the term of this Agreement in implementing the terms of the Grant Plan.

All Eligible Expenses *must* be:

- (a) Paid by Grantee prior to the submission of the applicable Funding Request;
- (b) Expenses to be incurred and paid by Grantee no more than 30 days after the disbursement of Grant Funds pursuant to the Funding Request;

Eligible Expenses are:

- (1) Camp Mendocino tuition for youth residents of Treasure and Yerba Buena Islands.

Eligible Expenses shall specifically *exclude*:

- (1) personal or business-related costs or expenses related to meals, catering, transportation, lodging, fundraising or educational activities;
- (2) capital expenses;
- (3) any costs or expenses which are prohibited under the terms and conditions of any federal or state grant supplying all or any portion of the Grant Funds;
- (4) penalties, late charges or interest on any late payments; or
- (5) taxes or other amounts withheld from wages or salaries which have not actually been paid by Grantee during the term of this Agreement or which relate to periods before or after the term of this Agreement.

Appendix B--Definition of Grant Plan

The term "Grant Plan" shall mean:

Payment of tuition for youth residents of Treasure Island and Yerba Buena Island attendance at Boys and Girls Clubs of San Francisco's Camp Mendocino during summer of 2014. To receive the full amount of Grant Funds, Grantee shall enroll not less than 14 youth residents of Treasure Island and Yerba Buena Island. Grantee shall enroll all on-island youth that sign up to attend Camp Mendocino.

Appendix C--Form of Funding Request

FUNDING REQUEST

_____, 2014

Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA 94130

Re: Grant No. TIDA-002

Pursuant to Section 5.3 of the Grant Agreement (the "Grant Agreement") dated as of June 13, 2014, between the undersigned ("Grantee") and the City and County of San Francisco (all capitalized terms defined in the Grant Agreement shall have the same meaning when used herein), Grantee hereby requests a disbursement of Grant Funds as follows:

Total Amount Requested
in this Request: \$ _____

Maximum Amount of
Grant Funds Specified in
Section 5.1 of the Grant
Agreement: \$9,900.00

Total of All Grant Funds
Disbursed Prior to this
Request: \$ _____

Grantee certifies that:

(a) The total amount of Grant Funds requested pursuant to this Funding Request will be used to pay Eligible Expenses, which Eligible Expenses are set forth on the attached Schedule 1, to which is attached true and correct copies of all required documentation of such Eligible Expenses.

(b) After giving effect to the disbursement requested pursuant to this Funding Request, the Grant Funds disbursed as of the date of this disbursement will not exceed the maximum amount set forth in Section 5.1.

(c) The representations and warranties made in the Agreement are true and correct in all material respects as if made on the date hereof;

- (d) No Event of Default has occurred and is continuing; and
- (e) The undersigned is an officer of Grantee authorized to execute this Funding Request on behalf of Grantee.

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 16.3, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Boys and Girls Clubs of San Francisco

By _____

Print Name _____

Title _____

SCHEDULE 1 TO REQUEST FOR FUNDING

The following is an itemized list of Eligible Expenses for which Grant Funds are requested:

Payee

Amount

Description

The following are attached as part of this Schedule 1:

- (1) an invoice for each item of Eligible Expense for which Grant Funds are requested;
- (2) the front and the back of canceled checks or other written evidence documenting the payment of each invoice;

Appendix D--Interests In Other City Contracts

City Department or Commission	Date of Contract	Amount of Contract

Appendix E--Permitted Subgrantees

None

1 [Grant Agreement with the Boys & Girls Clubs of San Francisco]

2 **Resolution Authorizing the Director of Island Operations to Execute a Grant Agreement**
3 **with the Boys and Girls Clubs of San Francisco, a California Non-Profit Organization**

4 **WHEREAS**, Former Naval Station Treasure Island is a military base located on
5 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
6 the United States of America, acting by and through the Department of the Navy; and,

7 **WHEREAS**, The Base was selected for closure and disposition by the Base
8 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
9 subsequent amendments; and,

10 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
11 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
12 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
13 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
14 conversion of the Base for the public interest, convenience, welfare and common benefit of
15 the inhabitants of the City and County of San Francisco; and,

16 **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended
17 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
18 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
19 as a redevelopment agency under California redevelopment law with authority over the Base
20 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
21 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer
22 the public trust for commerce, navigation and fisheries as to such property; and

1 **WHEREAS**, The Board of Supervisors approved the designation of the Authority as a
2 redevelopment agency for Treasure Island in 1997; and,

3 **WHEREAS**, On January 24, 2012, the Board of Supervisors rescinded designation of
4 the Authority as the redevelopment agency for Treasure Island under California Community
5 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect
6 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust
7 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other
8 powers or authority; and,

9 **WHEREAS**, In response to community feedback and input, the Boys and Girls Clubs of
10 San Francisco, a California Non-Profit Organization (BGCSF) has submitted a proposal, and
11 budget, to the Authority requesting funding of on-Island youth's Camp Mendocino tuition for
12 summer of 2014; and

13 **WHEREAS**, The funding proposal is for an amount not to exceed \$9,900, consistent
14 with the per-child tuition cost of Camp Mendocino and the number of eligible on-Island youth
15 and teens; and,

16 **WHEREAS**, Project Office staff has reviewed the proposal and finds it reasonable and
17 consistent with the summer programming services desired by the Island community; and

18 **WHEREAS**, The Authority wishes to fund the proposal in an amount not to exceed
19 \$9,900 (Nine Thousand Nine Hundred Dollars) with funds pre-identified in the Authority's
20 FY13-14 Budget and available for disbursement; now therefore be it,

21 **RESOLVED**, That the Authority hereby authorizes the Director of Island Operations
22 or her designee to execute the Grant Agreement in substantially the form attached hereto
23 as Exhibit A with the Boys and Girls Clubs of San Francisco for funding Camp Mendocino
24 tuition for on-Island youth and, be it

1 **FURTHER RESOLVED**, That the Board of Directors hereby finds that (i) entering into
2 the Grant Agreement will serve the goals of the Authority and the public interests of the City,
3 and (ii) the terms and conditions of the Grant Agreement are economically reasonable; and be
4 it

5 **FURTHER RESOLVED**, That the Board of Directors hereby authorizes the Director
6 of Island Operations or her designee to enter into any additions, amendments or other
7 modifications to the Loan Agreement that the Director of Island Operations determines in
8 consultation with the City Attorney are in the best interests of the Authority, that do not
9 materially increase the obligations or liabilities of the Authority, that do not materially reduce
10 the rights of the Authority, and are necessary or advisable to complete the preparation and
11 approval of the Agreement, such determination to be conclusively evidenced by the
12 execution and delivery by the Director of Island Operations or her designee of the
13 documents and any amendments thereto.

14
15
16 **CERTIFICATE OF SECRETARY**

17
18 I hereby certify that I am the duly elected and acting Secretary of the Treasure
19 Island Development Authority, a California nonprofit public benefit corporation, and
20 that the above Resolution was duly adopted and approved by the Board of Directors of
21 the Authority at a properly noticed meeting on June 11, 2014.

22
23
24 _____
25 Jean-Paul Samaha, Secretary







AGENDA ITEMS 7
Treasure Island Development Authority
Board of Directors
City and County of San Francisco
Meeting of June 11, 2014

Subject: Update on Proposed Interim Utility Improvements (*Information Item*)

Contact: Robert Beck, Treasure Island Director

BACKGROUND

In October 2013 the Board of Supervisors approved a financing resolution and supplemental appropriation providing up to \$10,000,000 for the improvement of the existing utility infrastructure on Treasure Island and Yerba Buena Island to all TIDA, working with the SPFUP, to increase system resiliency and reliability by addressing the most vulnerable elements of the utility systems.

DISCUSSION

The City and the Navy entered into the Base Caretaker Cooperative Agreement executed March 12, 1997, as amended from time to time (collectively, the "Cooperative Agreement"), for the interim management and operation of the former Naval Station Treasure Island ("NSTI") during the disposition process. Under the Cooperative Agreement the City agreed to assume certain responsibilities for (i) the operation and maintenance of the water, wastewater, storm water, electric and gas utility systems on NSTI, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services. These caretaker responsibilities were assumed by TIDA in 1998.

The SFPUC provides utility services on NSTI on behalf of TIDA, including delivery of electricity, gas and water services to the occupants and users of NSTI; the operation and maintenance of the existing wastewater treatment plant and related facilities and pipe network; and the operation and maintenance of the existing storm water collection system and pump stations. The SFPUC has performed these services for TIDA and maintained the facilities including repairing and replacing equipment as necessary within the limits of the utility charges imposed or collected by TIDA or the SFPUC and other TIDA revenues.

Given the state of the existing infrastructure, however, the needed system improvements have exceeded available resources. The majority of the utility infrastructure on NSTI is fifty or more years of age and has not benefitted from capital improvement or renewal. As a result, the accumulation of deferred maintenance and renewal capital needs has diminished the utility systems' reliability.



Although the development activities should begin in 2015 and will cause many key elements of the utility systems – including the water storage reservoirs and primary electrical switchgear for electrical service onto the islands – to be improved or replaced in the next five years, other key infrastructure and large portions of the utility systems will be in operation another for 10 years or more. The Certificates of Purchase debt financing was established to allow for TIDA and the SFPUC to address the most critical and vulnerable elements of the systems.

PRIORITIZATION

The wastewater treatment plant is the most complex element of the NSTI utility infrastructure, and the wastewater creates a naturally corrosive environment that takes a heavy toll on the treatment facilities. As a result, the treatment plant has a number of system elements that are so aged that they require constant upkeep to remain in service. More importantly, the plant has little system/equipment redundancy in key areas, and the consequences of equipment failure can be high in discharge violations and in the time and expense that would be required to procure and replace equipment in emergency conditions. Accordingly, improvements to the wastewater treatment plant have been prioritized highly amongst the initial projects. Other projects include improvements to the wastewater and storm water pump stations and gas distribution lines – particularly on the areas of the island that will be in the final phase of development improvements.

<i>Project</i>	<i>Implementation Schedule</i>	<i>Estimated Cost</i>
Biosolids Handling and Treatment	15-18 months	\$3,000,000
Trickling Filter System	13 months	\$934,000
Influent Lift Pump	6-9 months	\$360,000
Chlorination Delivery and Monitoring	6-9 months	\$235,000
Electronic Monitoring Equipment	6 months	\$200,000
Wastewater & Stormwater Pump Station Repairs	6-9 months	\$1,000,000
Gas Line Isolation	12-15 months	\$250,000
Subtotal		\$5,979,000
Reserve Funding Capacity		\$4,021,000

Because the known deficiencies far exceed the funding available from the Certificates of Participation, these initial project encumber only about 60% of the funding available. This will allow TIDA and the SFPUC to begin addressing these most critical improvements while



reserving a significant portion of the funding against new issues that may emerge or known issues that may become more urgent.

NEXT STEPS

TIDA will direct the SFPUC to move forward with these initial projects. Some projects will require some design work while others will require more limited analysis to size, select and specify the appropriate equipment for procurement. Some of the equipment installation and replacement projects will be performed by SFPUC staff while the larger projects will use a combination of formal, informal and job-order contracting for implementation. It is anticipated that all of these initial projects can be completed within 18 months.

Prepared by Robert Beck

Treasure Island Development Authority

Item 7: Interim Utility Improvements

June 11, 2014



Presentation Agenda

- Background
 - Utility operations roles & responsibilities
 - Infrastructure
 - Financing
- Prioritization
- Initial Projects
- Next Steps

Background – Roles & Responsibilities

- Under the Cooperative Agreement with the US Navy, the Treasure Island Development Authority has been responsible for maintenance & operation of existing gas, electric, water, storm water, and wastewater systems on Treasure Island & Yerba Buena Island since 1998
- SFPUC maintains and operates the utilities as a contractor to TIDA
- Compensation for utility operations comes from utility charges collected from system users on Treasure Island & Yerba Buena Island and other TIDA revenues

Background – Infrastructure

- Majority of infrastructure is fifty or more years of age and has not been the subject of capital improvement or renewal
- SFPUC has identified in excess of \$40 million in deficiencies and deferred maintenance needs that could compromise system reliability and contribute to significant system failures
- With development beginning many systems and key infrastructure will see significant improvement over the next five years
- Some infrastructure may need to remain in service for 10 years or more

Background – Financing

- In October 2013, the Board of Supervisors authorized the issuance of certificates of participation to fund interim improvements to existing utility infrastructure
- Fund up to \$10,000,000 in improvements
- Debt service to be supported by residential, commercial and governmental utility users through a combination of utility charges and common area charges

Prioritization

- Water reservoirs on YBI and primary electrical switchgear for the entire base are to be improved in the first major phase of development
- The work to address geotechnical conditions will require temporary utilities to bypass the area during geotechnical work and new utilities upon its completion
 - Utilities in the Phase 4 area will remain in service for the longest period
- The waste water treatment plant is the most vulnerable and most significant utility asset
 - Potential failures could have significant consequences in discharge violations and the time and cost to repair

Initial Projects

Project	Estimated Cost
Biosolids Handling and Treatment	\$3,000,000
Trickling Filter System	\$934,000
Influent Lift Pump	\$360,000
Chlorination Delivery and Monitoring	\$235,000
Electronic Monitoring Equipment	\$200,000
Wastewater & Stormwater Pump Station Repairs	\$1,000,000
Gas Line Isolation	\$250,000
Subtotal	\$5,979,000
Reserve Capacity	\$4,021,000

Next Steps

- Initiate projects with PUC
 - Detailed scoping, scheduling and cost estimates
 - Design, equipment selection/specification, and procurement
 - Construction/installation
- Projects will take 6-18 months to implement

Interim Utility Improvements

Questions?

Department of Psychology

University of California



)

)

)



TREASURE ISLAND DEVELOPMENT AUTHORITY
DRAFT MEETING MINUTES

June 11, 2014 – 1:30PM

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

DIRECTORS

Linda Fadeke Richardson, President	John Elberling
Larry Mazzola, Jr., VP	Jean-Paul Samaha, Secretary
Mark Dunlop, CFO	V. Fei Tsen
Hon. Jane Kim (Ex-Officio)	

Mirian Saez, Director of Island Operations
Loraine Lee, Commission Secretary

1. **Call to Order 1:45pm**

Present

Linda Richardson, *President*
Mark Dunlop
John Elberling
Jean-Paul Samaha

Excused

Supervisor Jane Kim, *Ex-Officio*
Larry Mazzola, Jr., *VP*
V. Fei Tsen

GOVERNMENT
DOCUMENTS DEPT

JUL - 3 2014

SAN FRANCISCO
PUBLIC LIBRARY

Director Richardson welcomed and thanked the meeting attendees.
Director Richardson made a special announcement for Director Del Carlo's resignation from the TIDA Board of Directors, and honors his time, contribution and dedication to TIDA.
Director Dunlop thanked Director Del Carlo and honors all the work he has done.
Director Samaha thanked Director Del Carlo and wishes him luck.
Director Del Carlo gave his thanks.

Director Richardson called for Item 6 to be heard out of order.
Director Samaha moved the motion.
Director Elberling seconded the motion.

6. **CONSENT AGENDA**

- a. Approving the Minutes of the May 14, 2014 Regular Meeting
- b. Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2014 – 2015
- c. Resolution Approving a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company, a California Corporation, Subject to the Approval of the City's Board of Supervisors
- d. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for Fiscal Year 2014-2015
- e. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2014 and Continuing on a Month to Month Basis but Ending No Later than June 30, 2015, in an amount not to exceed \$166,150
- f. Resolution Authorizing the Director of Island Operations to Execute a Month to Month Professional Services Agreement with Rubicon Enterprises, Inc., to Provide Landscape Services Commencing on July 1, 2014 and Ending June 30, 2015 for an amount not to exceed \$61,540.83 per month and \$738,490 for 12 months.
- g. Resolution Authorizing the Director of Island Operations to Execute a Grant Agreement with the Boys and Girls Clubs of San Francisco, a California Non-Profit Organization

There is public comment on Item 6 G.

Director Dunlop moved the consent agenda, minus Item 6 G.

Director Samaha seconded the motion.

This item passed unanimously.

Item 6 G Public Comment

Martha Nicoles, Boys and Girls Club of San Francisco, thanked the TIDA Board for their continued support. The kids spend 10-30 days at the camp, which is full of outdoor activities.

Director Elberling asked how large the group is. Treasure Island has 50-60 kids that attend the camp. Overall 1200 youth go to the camp, in 6 separate sessions.

Director Richardson commented on the success of the Boys and Girls club and appreciates their work.

Director Richardson motioned for approval.

Director Dunlop seconded the motion.

This item passed unanimously.

At the conclusion of this item, the agenda returned to its regular order.

2. Public Comment

There was no Public Comment.

3. Reports

a. Report by Director of Island Operations

Mirian Saez, Director of Island Operations, reported to following Operational Issues. Public Safety: In the residential area zero burglaries were recorded for the month of May. Unsecured valuables in cars continue to be an easy crime of opportunity. Organizations like Community Watch and SF Safe, along with the Housing Providers and those on Next Door regularly disseminate information through various means to residents. Community Watch has created a Summer Safety Tips flyer for the community which provides information on how to keep units secure. As visitors enter the Island, the front gate personnel are handing out flyers as reminders to remove valuables from their cars. Captain Bill Roualdes steps into the role of Captain Redman, who has been promoted to Commander.

Captain Roualdes makes a statement about his excitement to be the Commanding Officer of Southern Station and will continue working with TIDA to make the quality of life of everyone living and visiting on Treasure Island to be a safe and happy environment.

Mirian Saez continues her report with another public safety note. DPW Bureau of Urban Forestry completed tree trimming and pruning projects along California Ave. and Avenue of the Palms. On May 28, there was one unscheduled power outage that lasted under 2 hours due to a goose in the power lines. Reporting on finances, TIDA is on pace to meet revenue projections of \$8.8 million. In response to public comment regarding the unavailable audio link to our agenda, the problem has been corrected and all agendas are available to the public via our webpage. Reporting on Quality of Life issues: The annual Residential Clean-Up Day was held last month and Recology collected approximately 13 tons of materials. Goodwill also participated. DPH TI nurse Intervention Clinic opened in April and provides twice weekly free services to Island residents. A Grand Opening Celebration is June 25th. The ShipShape Building is undergoing improvements. TI residents have been utilizing 311. Parents Appreciation Day scheduled for July 19th. Mirian Saez commented on commercial leasing activities and housing leasing activities including roadway and roof improvements.

Director Richardson requested Captain Redmond to attend a future meeting to thank him for his service on behalf of TIDA.

b. Report by Treasure Island Director

Bob Beck, Treasure Island Director, reported on the EDC MOA. The EDC MOA has been introduced to the Board of Supervisors and if approved on June 24, TIDA will work with Navy on execution. With this milestone, Treasure Island Community Development has increased their level of activity in preparing the major phase and sub phase applications.

TICD has begun the process of preparing the applications and meeting with City Agencies. Also working with the Public Utilities Commission on permitting that will be needed to facilitate with the regional water quality control board and CDPH for the utilities that will be transferred in the first phase.

This month the Navy is going to be conducting radiological surveys of the residential units on Treasure Island. On May 31 the Navy held an open house on the Island, in

attendance was Director Richardson, Director Dunlop, and Supervisor Kim. There was a large representation from both DTSC, CDPH, and the Navy. The results from the Navy and CDPH review of the data that is collected will be made available to TIDA approximately 2 weeks from the date of the survey and will then be passed on to the housing providers and residents.

Director Richardson commented on the large turnout of the open house and appreciation for the engagement with the residents.

Director Elberling asked the scope of work in the First Phase of development. The first sub phase includes the western waterfront – the area around Building 1 and the area west of Job Corps. Construction of the Public Promenade along the Marina will be in the first Major Phase – approximately the 2017 time frame.

There was no public comment.

4. Communications From and Received by TIDA (*Discussion Item*)

There was no discussion on Communications by Directors.
There was no public comment.

5. Ongoing Business by Board of Directors (*Discussion Item*)

There was no discussion on Ongoing Business by Directors.
There was no public comment.

7. Interim Utility Improvements Presentation (*Discussion Item*)

Bob Beck, Treasure Island Director, There are elements of the utility infrastructure on Treasure Island that are going to need to remain in service for up to an additional decade, and there was funding brought to the Board last fall to improve reliability and maintain it in a serviceable condition.

Under the Coop Agreement with the Navy, TIDA is responsible for operating the utility systems on the island and the PUC serves as our contractor, providing gas, electric, water, and wastewater, as well as managing the storm water collection. The compensation to the PUC comes from utility charges from residents, businesses, and Coast Guard/Federal facilities that are on the island. Most of the current infrastructure is 50+ years of age and much of it is near the end of its useful life. Previously the PUC had identified \$40,000,000 worth of deficiencies of utility infrastructure, much of which will be retired in the next 5 years.

Last fall the Board of Supervisors authorized the issuance of certificate of participation to fund up to \$10,000,000 in interim investments in the utility infrastructure, which will be repaid by the utility users on the island.

The water reservoirs on YBI are going to be improved in the first sub phase of work by TIDC. Recent investments in electrical infrastructure have improved reliability and rate at which the PUC can address outages and restore problems. The wastewater and storm water collection systems, gas, and electrical distribution systems will be largely destroyed during the geotechnical improvement process of the island and replaced by the developer.

We have identified a specific set of investments with the PUC for interim investments that we are prepared to undertake – most within the wastewater treatment plant. These initial projects use 60% of funds, leaving 40% to use as needed. Moving forward will work with the PUC and Mayors Office of Public Finance to initiate projects. All of projects should be complete within the next 18 months.

Director Elberling requested map diagrams of the systems that need to be supported.

Director Richardson asked if the wastewater equipment is corrosion resistant and comments that any improvement of the current corrosion is welcome.

Director Samaha asked if there will be any impact on the residents or cut off of services during construction.

There was no public comment.

8. Discussion of Future Agenda Items by Directors (*Discussion Item*)

There was no discussion of Future Agenda Items by Directors.

There was no public comment.

9. Possible Closed Session to Confer with Real Property Negotiators

There was no Closed Session.

There was no public comment.

10. Adjourn 2:30pm

Director Richardson thanked Loraine Lee for her service to the City.

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING MINUTES

June 11, 2014 – 1:30PM

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

DIRECTORS

Linda Fadeke Richardson, President
Larry Mazzola, Jr., VP
Mark Dunlop, CFO
Hon. Jane Kim (Ex-Officio)

John Elberling
Jean-Paul Samaha, Secretary
V. Fei Tsen

Mirian Saez, Director of Island Operations
Loraine Lee, Commission Secretary

1. **Call to Order 1:45pm**

Present

Linda Richardson, *President*
Mark Dunlop
John Elberling
Jean-Paul Samaha

Excused

Supervisor Jane Kim, *Ex-Officio*
Larry Mazzola, Jr., *VP*
V. Fei Tsen

GOVERNMENT
DOCUMENTS DEPT

JUL 11 2014

SAN FRANCISCO
PUBLIC LIBRARY

Director Richardson welcomed and thanked the meeting attendees.

Director Richardson made a special announcement for Director Del Carlo's resignation from the TIDA Board of Directors, and honors his time, contribution and dedication to TIDA.

Director Dunlop thanked Director Del Carlo and honors all the work he has done.

Director Samaha thanked Director Del Carlo and wishes him luck.

Director Del Carlo gave his thanks.

Director Richardson called for Item 6 to be heard out of order.

Director Samaha moved the motion.

Director Elberling seconded the motion.

6. **CONSENT AGENDA**

- a. Approving the Minutes of the May 14, 2014 Regular Meeting
- b. Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2014 – 2015
- c. Resolution Approving a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company, a California Corporation, Subject to the Approval of the City's Board of Supervisors
- d. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for Fiscal Year 2014-2015
- e. Resolution Approving and Authorizing the Execution of a Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2014 and Continuing on a Month to Month Basis but Ending No Later than June 30, 2015, in an amount not to exceed \$166,150
- f. Resolution Authorizing the Director of Island Operations to Execute a Month to Month Professional Services Agreement with Rubicon Enterprises, Inc., to Provide Landscape Services Commencing on July 1, 2014 and Ending June 30, 2015 for an amount not to exceed \$61,540.83 per month and \$738,490 for 12 months.
- g. Resolution Authorizing the Director of Island Operations to Execute a Grant Agreement with the Boys and Girls Clubs of San Francisco, a California Non-Profit Organization

There is public comment on Item 6 G.

Director Dunlop moved the consent agenda, minus Item 6 G.

Director Samaha seconded the motion.

This item passed unanimously.

Item 6 G Public Comment

Martha Nicoles, Boys and Girls Club of San Francisco, thanked the TIDA Board for their continued support. The kids spend 10-30 days at the camp, which is full of outdoor activities.

Director Elberling asked how large the group is. Treasure Island has 50-60 kids that attend the camp. Overall 1200 youth go to the camp, in 6 separate sessions.

Director Richardson commented on the success of the Boys and Girls club and appreciates their work.

Director Richardson motioned for approval.

Director Dunlop seconded the motion.

This item passed unanimously.

At the conclusion of this item, the agenda returned to its regular order.

2. Public Comment

There was no Public Comment.

3. Reports

a. Report by Director of Island Operations

Mirian Saez, Director of Island Operations, reported to following Operational Issues.

Public Safety: In the residential area zero burglaries were recorded for the month of May. Unsecured valuables in cars continue to be an easy crime of opportunity. Organizations like Community Watch and SF Safe, along with the Housing Providers and those on Next Door regularly disseminate information through various means to residents. Community Watch has created a Summer Safety Tips flyer for the community which provides information on how to keep units secure. As visitors enter the Island, the front gate personnel are handing out flyers as reminders to remove valuables from their cars. Captain Bill Roualdes steps into the role of Captain Redman, who has been promoted to Commander.

Captain Roualdes makes a statement about his excitement to be the Commanding Officer of Southern Station and will continue working with TIDA to make the quality of life of everyone living and visiting on Treasure Island to be a safe and happy environment.

Mirian Saez continues her report with another public safety note. DPW Bureau of Urban Forestry completed tree trimming and pruning projects along California Ave. and Avenue of the Palms. On May 28, there was one unscheduled power outage that lasted under 2 hours due to a goose in the power lines. Reporting on finances, TIDA is on pace to meet revenue projections of \$8.8 million. In response to public comment regarding the unavailable audio link to our agenda, the problem has been corrected and all agendas are available to the public via our webpage. Reporting on Quality of Life issues: The annual Residential Clean-Up Day was held last month and Recology collected approximately 13 tons of materials. Goodwill also participated. DPH TI nurse Intervention Clinic opened in April and provides twice weekly free services to Island residents. A Grand Opening Celebration is June 25th. The ShipShape Building is undergoing improvements. TI residents have been utilizing 311. Parents Appreciation Day scheduled for July 19th. Mirian Saez commented on commercial leasing activities and housing leasing activities including roadway and roof improvements.

Director Richardson requested Captain Redmond to attend a future meeting to thank him for his service on behalf of TIDA.

b. Report by Treasure Island Director

Bob Beck, Treasure Island Director, reported on the EDC MOA. The EDC MOA has been introduced to the Board of Supervisors and if approved on June 24, TIDA will work with Navy on execution. With this milestone, Treasure Island Community Development has increased their level of activity in preparing the major phase and sub phase applications.

TICD has begun the process of preparing the applications and meeting with City Agencies. Also working with the Public Utilities Commission on permitting that will be needed to facilitate with the regional water quality control board and CDPH for the utilities that will be transferred in the first phase.

This month the Navy is going to be conducting radiological surveys of the residential units on Treasure Island. On May 31 the Navy held an open house on the Island, in

attendance was Director Richardson, Director Dunlop, and Supervisor Kim. There was a large representation from both DTSC, CDPH, and the Navy. The results from the Navy and CDPH review of the data that is collected will be made available to TIDA approximately 2 weeks from the date of the survey and will then be passed on to the housing providers and residents.

Director Richardson commented on the large turnout of the open house and appreciation for the engagement with the residents.

Director Elberling asked the scope of work in the First Phase of development. The first sub phase includes the western waterfront – the area around Building 1 and the area west of Job Corps. Construction of the Public Promenade along the Marina will be in the first Major Phase – approximately the 2017 time frame.

There was no public comment.

4. Communications From and Received by TIDA (*Discussion Item*)

There was no discussion on Communications by Directors.

There was no public comment.

5. Ongoing Business by Board of Directors (*Discussion Item*)

There was no discussion on Ongoing Business by Directors.

There was no public comment.

7. Interim Utility Improvements Presentation (*Discussion Item*)

Bob Beck, Treasure Island Director, There are elements of the utility infrastructure on Treasure Island that are going to need to remain in service for up to an additional decade, and there was funding brought to the Board last fall to improve reliability and maintain it in a serviceable condition.

Under the Coop Agreement with the Navy, TIDA is responsible for operating the utility systems on the island and the PUC serves as our contractor, providing gas, electric, water, and wastewater, as well as managing the storm water collection. The compensation to the PUC comes from utility charges from residents, businesses, and Coast Guard/Federal facilities that are on the island. Most of the current infrastructure is 50+ years of age and much of it is near the end of its useful life. Previously the PUC had identified \$40,000,000 worth of deficiencies of utility infrastructure, much of which will be retired in the next 5 years.

Last fall the Board of Supervisors authorized the issuance of certificate of participation to fund up to \$10,000,000 in interim investments in the utility infrastructure, which will be repaid by the utility users on the island.

The water reservoirs on YBI are going to be improved in the first sub phase of work by TICD. Recent investments in electrical infrastructure have improved reliability and rate at which the PUC can address outages and restore problems. The wastewater and storm water collection systems, gas, and electrical distribution systems will be largely destroyed during the geotechnical improvement process of the island and replaced by the developer.

We have identified a specific set of investments with the PUC for interim investments that we are prepared to undertake – most within the wastewater treatment plant. These initial projects use 60% of funds, leaving 40% to use as needed. Moving forward will work with the PUC and Mayors Office of Public Finance to initiate projects. All of projects should be complete within the next 18 months.

Director Elberling requested map diagrams of the systems that need to be supported.

Director Richardson asked if the wastewater equipment is corrosion resistant and comments that any improvement of the current corrosion is welcome.

Director Samaha asked if there will be any impact on the residents or cut off of services during construction.

There was no public comment.

8. Discussion of Future Agenda Items by Directors (*Discussion Item*)

There was no discussion of Future Agenda Items by Directors.

There was no public comment.

9. Possible Closed Session to Confer with Real Property Negotiators

There was no Closed Session.

There was no public comment.

10. Adjourn 2:30pm

Director Richardson thanked Loraine Lee for her service to the City.

